



CHMUN 2026

**ECONOMIC AND FINANCIAL COMMITTEE
(ECOFIN)**

AGENDA

Addressing the Rising Global Debt Burden in 2026: Strengthening international cooperation on debt restructuring and financial stability with particular regard to vulnerable and developing economies.

Executive Board:

Chairperson: Aarav Singh

Vice-Chairperson: Ananya Ramakrishnan

Moderator: Sumedh Bhatnagar

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Letter from the Executive Board

Dear Delegates

We are delighted to have you on the Economic and Financial Committee of CHMUN 2026. We are really excited to be part of the Executive Board and are looking forward to having you join the committee. We hope these two days will be full of discussions, lots of research, good diplomacy and most importantly, meaningful conversations. The topic you are dealing with is more than numbers on a page. It includes questions about stability, working together internationally, growth, the responsibility of lenders and the economic freedom of countries.

We think the real purpose of a committee is not just knowing the topic. How well you use your research to question different views, stand up for your country's interests and create solutions that are both big and possible. We will always be here to help with discussions and push you to go with your research and bring the committee back on track when needed. This study guide is a starting point for your deeper work and includes different points of view and parts of the topic. We want to make sure you look for your sources, especially about your country's economy, the debt situation and how your country acts in the world.

We hope you have time to prepare, and we look forward to a committee with strong discussions, good diplomacy, real lobbying and most of all, delegates who are ready to learn from each other. We need you as much as you need us, and we can't wait for ECOFIN 2026 to be a special and thought-provoking experience. Looking forward to meeting you at CHMUN 2026!

CHAIRPERSON- Aarav Singh

VICE-CHAIRPERSON- Ananya Ramakrishnan

MODERATOR- Sumedh Bhatnagar

1. Expectations from Delegates

ECOFIN is a committee where broad statements are easy but practical policy is much harder. We expect delegates to focus on preparation, understanding of institutions, and negotiation.

01. Know your country: Before the committee, delegates should be able to explain their country's debt position in broad terms. Delegates should know who their major creditors are, whether their borrowing is mainly domestic or external, which currencies and maturities matter, whether their country has faced debt distress and what their government has said about financial reform.

02. Know the institutions: Delegates must not use "the UN", "the IMF", "the World Bank" and "the G20" interchangeably. These organisations have mandates, memberships, instruments and decision-making structures.

03. Research beyond the guide: This guide provides a foundation. It cannot replace country-specific research or primary-source reading. Delegates should use government statements, UN documents, IMF and World Bank country material, G20 documents and other reliable sources.

04. Make use of policies: Cancelling developing-country debt is an outcome, not a mechanism. Delegates should explain eligibility, creditor participation, financing, implementation, safeguards and monitoring. Likewise, promoting stability means little unless Delegates explain which risks they intend to reduce.

05. Negotiate: Delegates may find that their country's position does not align perfectly with another country's. Delegates should identify what their country needs, what they can compromise on and what they cannot accept.

06. Remain within mandate: ECOFIN is a General Assembly committee. ECOFIN can recommend, encourage, request, coordinate and establish frameworks within the authority of the General Assembly. ECOFIN does not turn into a sovereign bankruptcy court simply because a resolution says so.

07. Be accurate: Debt figures change, programmes change, and negotiations evolve. When Delegates quote a number, they must know its year, definition and source. "Debt" is not one universal statistic.

2. Introduction to the Committee

2.1. The United Nations Economic and Financial Committee

The Economic and Financial Committee, commonly referred to as ECOFIN or the Second Committee, is one of the six Main Committees of the United Nations General Assembly. Unlike ECOSOC, which is a principal organ of the United Nations, ECOFIN functions directly under the General Assembly and is responsible for examining questions concerning international economic and financial affairs. The Committee forms an important part of the UN's broader economic and development architecture, particularly because many of the issues it considers require cooperation between states, international financial institutions and other bodies of the international system.

ECOFIN's mandate encompasses a broad range of subjects relating to economic growth and development, including macroeconomic policy questions, financing for development, sustainable development, globalisation and interdependence, poverty eradication, operational activities for development, agriculture and food security, information and communications technologies for development, and issues concerning countries in special situations. The Committee has also historically dealt directly with matters concerning the international financial system and external debt sustainability, making the question of rising sovereign debt particularly relevant to its mandate.

2.2. Mandate and Function

The mandate of ECOFIN is deliberately broad. As a Main Committee of the General Assembly, it considers items allocated to it by the Assembly, conducts debate and negotiations on those matters, and formulates draft resolutions and decisions for consideration and action by the General Assembly. The Committee therefore functions primarily as a forum for multilateral negotiation, policy coordination and consensus-building, rather than as an institution that directly administers international financial programmes.

This distinction is particularly important for the agenda before the Committee. ECOFIN does not itself lend money to countries, determine the terms of IMF programmes, negotiate sovereign bond exchanges or act as an international bankruptcy court. Rather, it provides a political and diplomatic forum through which Member States can discuss the international financial architecture and recommend measures for improving cooperation. Its recommendations can subsequently inform broader action within the UN system and contribute to the development of international norms and policy frameworks.

The Committee's work frequently intersects with institutions outside the UN itself. The International Monetary Fund (IMF), World Bank, regional development banks, the G20, the Paris Club, private creditors and national debt-management authorities all have important roles in the international debt system. Understanding ECOFIN therefore requires delegates to distinguish between the mandate of the United Nations and the mandates of these separate institutions.

2.3. Powers and Limitations: What This Committee Can and Cannot Do

ECOFIN can:

- Recommend policy frameworks and measures to Member States and the General Assembly
- Encourage cooperation between states and international financial institutions
- Request studies, reports and assessments on matters within its mandate
- Establish or recommend appropriate mechanisms for international coordination
- Negotiate and submit draft resolutions for consideration by the General Assembly

ECOFIN cannot:

- Direct the IMF or World Bank to take specific actions
- Unilaterally cancel or restructure a country's sovereign debt
- Compel private creditors to accept restructuring terms
- Function as an international sovereign bankruptcy court
- Directly impose economic or financial policies upon sovereign states

This distinction shapes the nature of debate within the Committee. Delegates are expected to formulate realistic, implementable and internationally coordinated solutions, rather than proposals that exceed the authority of the United Nations or the Committee itself.

2.4. Procedure and Conduct

ECOFIN follows the Rules of Procedure of the United Nations General Assembly, subject to the modifications adopted for the conference. Key procedural elements include:

General Speakers' List (GSL): The primary forum for delegates to establish their country's position and introduce broad policy priorities.

Moderated Caucus: A structured debate focused on a specific sub-topic, with delegates speaking for a defined duration.

Unmoderated Caucus: An informal session for lobbying, negotiations, bloc formation and drafting resolutions.

Draft Resolutions: Formal proposals containing preambulatory and operative clauses, developed through negotiation between delegations.

Amendments: Proposed changes to draft resolutions, considered according to the Rules of Procedure being followed by the conference.

Delegates are expected to remain in character at all times during formal sessions, represent their assigned country's actual foreign policy interests, and engage constructively, even with ideological opponents.

3. Introduction to the Agenda

3.1. Addressing the Rising Global Debt Burden in 2026

Overview:

Few economic issues have become as consequential to the international system as sovereign debt. Governments borrow to finance infrastructure, public services, development and economic recovery, but when borrowing costs rise, growth slows, currencies depreciate, or external shocks occur, debt can become increasingly difficult to service. For developing and vulnerable economies in particular, large debt-service obligations can constrain fiscal space and divert resources away from development priorities. This agenda asks a deceptively simple question: what does it mean for the international community when sovereign debt becomes increasingly difficult to sustain, and what, if anything, should be done about it?

The answer is neither simple nor economically neutral. For debtor states, restructuring may be necessary to restore fiscal space and economic stability. For creditors, however, restructuring involves questions of repayment, contractual rights and the preservation of confidence in

international financial markets. For developing economies, prolonged debt distress can affect investment, social expenditure and progress towards development objectives. And for the international financial system as a whole, fragmented creditor structures and lengthy restructuring processes can transform an individual sovereign debt crisis into a broader financial and developmental concern.

ECOFIN is not convening this committee to simply demand universal debt cancellation, nor to prescribe one restructuring model for every economy. The mandate of this committee is more grounded: to examine the structural causes and consequences of rising sovereign debt, and to explore frameworks through which international cooperation can make debt restructuring more timely, predictable and sustainable while safeguarding financial stability and development.

3.2. Defining the Terms

Clarity of language is essential to productive debate. Several terms central to this agenda are frequently used imprecisely, and delegates are expected to engage with them carefully.

Sovereign Debt: Financial obligations incurred by a national government. These may be owed domestically or externally and may be held by governments, international financial institutions, commercial banks or private investors.

Debt Sustainability: The ability of a government to meet its current and future debt obligations without requiring unrealistic fiscal adjustment, exceptional financing or repeated restructuring. Sustainability depends on factors including economic growth, interest rates, fiscal revenues, debt maturity and the composition of creditors.

Debt Restructuring: The modification of existing debt obligations in order to alter repayment conditions. This may involve extending maturities, reducing interest rates, providing grace periods, exchanging existing debt instruments or, in certain circumstances, reducing the principal owed.

Debt Distress: A situation in which a government faces significant difficulty meeting its debt-service obligations or maintaining access to sustainable financing. Debt distress does not necessarily mean that a country's entire debt stock is unsustainable.

Debt Service: Payments required to meet debt obligations, generally including principal and interest. A country may face severe debt-service pressure even when its overall debt-to-GDP ratio does not appear exceptionally high.

Financial Stability: A condition in which the financial system can continue to perform its essential functions without major disruptions. In sovereign debt crises, financial stability can be affected because domestic banks, pension funds and other financial institutions may hold significant amounts of government debt.

Creditor Coordination: The process through which different groups of creditors coordinate their approach towards a debtor state. This can become particularly complex where official

bilateral creditors, multilateral institutions and private creditors possess different legal claims and interests.

3.3. Scope of the Debate

This committee's deliberations are bound by ECOFIN's mandate as a Main Committee of the General Assembly. Delegates are not acting as an international bankruptcy court or directly negotiating individual sovereign debt contracts. They are not instructing the IMF or World Bank to undertake specific lending decisions, nor are they directly imposing restructuring terms upon private creditors.

What falls squarely within this committee's scope is: international cooperation on debt restructuring; the developmental consequences of excessive debt-service burdens; debt transparency and sustainability; coordination between official and private creditors; financial stability risks arising from sovereign debt; financing challenges faced by vulnerable and developing economies; and the strengthening of existing international mechanisms for addressing debt distress.

3.4. The Central Question Before the Committee

Stripped to its essence, this committee must grapple with one overarching tension: the need to provide distressed economies with sufficient debt relief to restore sustainable development, versus the need to preserve creditor confidence, contractual obligations and stability within the international financial system. There is no clean resolution to this tension. Every operative clause delegates draft will navigate it differently. The strongest resolutions will not pretend that one side of the equation does not exist; they will acknowledge the competing interests honestly and propose frameworks capable of balancing debt sustainability, financial stability, development and international cooperation.

4. Historical Context

4.1. The Evolution of Sovereign Debt

Sovereign debt is nothing new; for centuries governments have obtained funds from both domestic and foreign creditors in order to pay for wars, build infrastructure, make public spending and promote economic development. But the modern international debt system started to emerge in the nineteenth and twentieth centuries as governments began to turn to international capital markets and financial institutions. The period after World War II brought about a fundamental change in this system, since organisations such as the International Monetary Fund (IMF) and the World Bank became central to international monetary cooperation, development financing and the handling of balance-of-payments crises. The 1980s debt crises represented a significant turning point since, in the decade before that, many developing countries, especially in Latin America, had built up large amounts of external debt, which then became much harder to service because of the rise in global interest rates, the fall

in commodity prices and the economic instability. The crisis showed that sovereign debt difficulties could go beyond individual governments and have wider repercussions for international banks, developing economies and global financial stability. The situation regarding international debt changed once more after the Cold War and as a result of the quick growth of global capital markets. Developing countries obtained greater access to international private financing, and emerging economies began to issue bonds to international investors. The fact that the sources of debt had been diversified brought about new supplies of capital, but it also made any future restructuring more difficult since governments could come up against claims from a number of creditor groups working under different legal and contractual conditions.

4.2. The 2000s and the Rise of Debt Relief

In the first decade of the twenty-first century, there were major international attempts to reduce the debt problems of the world's poorest countries. The Heavily Indebted Poor Countries (HIPC) Initiative, which was started by the IMF and the World Bank in 1996 and then improved in 1999, aimed at giving comprehensive debt relief to countries that were suffering from unsustainable levels of debt. The Multilateral Debt Relief Initiative (MDRI) came about in 2005 and offered further debt forgiveness to countries that met the required criteria. It showed that debt relief could be linked to wider development goals rather than being seen merely as a matter of creditors being repaid. Yet it also pointed out a common problem in sovereign debt policy, namely, when it is necessary to give debt relief, who should pay for it and what conditions should be attached to it.

4.3. The Global Financial Crisis and Its Aftermath

The interconnectedness of sovereign and financial stability was once again shown by the 2008 global financial crisis. Although the crisis had started mainly in financial markets, its effects exerted heavy pressure on government finances all over the world, and various advanced economies then came face to face with serious sovereign debt problems, particularly in the euro area in the early 2010s. The European sovereign debt crisis showed how important it is for governments to maintain a relationship with their domestic financial institutions. If sovereign borrowing reaches high levels, it could weaken the banks which hold government debt, and at the same time financial instability within the banking sector could place greater pressure on the government's finances. This connection was termed the sovereign-bank nexus and is still a significant factor in debates about financial stability.

4.4. The COVID-19 Shock and the Changing Debt Landscape

The COVID-19 pandemic caused another significant change in global debt levels since governments had to borrow a great deal in order to fund their healthcare systems, social protection and economic support measures while, at the same time, economic activity declined.

Moreover, developing economies encountered further difficulties in the form of reduced fiscal space, weaker revenues and higher financing costs.

As a result, the international community implemented a number of measures, one of which was the G20 Debt Service Suspension Initiative (DSSI), which provided for the temporary suspension of debt-service payments to eligible low-income countries. While the initiative showed that coordinated international action was possible, its temporary character also led to debates regarding the kind of mechanisms that should be in place when a country's debt problems are structural rather than temporary.

The Common Framework for Debt Treatments beyond the DSSI, which was introduced in 2020, then aimed at setting up a coordinated method for restructuring the debt of eligible countries; the implementation of the framework has also shown the practical difficulties involved in coordinating creditors who have different interests, legal systems and approaches to restructuring.

4.5. The Debt Landscape in 2026

By 2026, sovereign debt has become more and more linked with issues of development, financial stability and international cooperation. Developed economies have to deal with a particularly complicated situation in which higher borrowing costs, pressure on the currency, weaker growth and large debt-service obligations can limit the resources available for development. The creditor situation is now more varied than it was in earlier decades, since governments may have to pay off multilateral institutions, other states, commercial banks and private bondholders at the same time, which makes any comprehensive restructuring much more complicated.

The historical development of sovereign debt therefore gives the Committee a continual lesson to the effect that debt crises are very seldom the result of one single cause and that their settlement is very often not the responsibility of a single institution. In order to devise credible approaches to the problems which the international financial system will face in 2026, the delegates must understand how earlier debt crises were handled and also where the existing mechanisms failed.

5. The Global Debt Landscape

5.1. Understanding the Scale of the Problem

Global debt has grown substantially over the past several decades, with governments, businesses and households increasingly relying on borrowing to finance expenditure and investment. For the purposes of this agenda, however, the principal concern is sovereign and public-sector debt and the circumstances in which governments find themselves increasingly unable to service their obligations without compromising economic stability or development. The scale of debt alone does not determine whether a country is in crisis. Debt sustainability

depends on a combination of economic growth, interest rates, government revenues, exchange-rate movements, debt maturity and creditor composition. Two countries with similar debt-to-GDP ratios may therefore face very different levels of vulnerability.

5.2. Developing and Vulnerable Economies

The consequences of rising debt can be particularly significant for developing economies. Many borrow in foreign currencies, leaving them exposed to exchange-rate fluctuations, while higher global interest rates can substantially increase refinancing costs. When debt service consumes a growing share of government revenue, fewer resources may remain available for healthcare, education, infrastructure, poverty reduction and climate resilience. These pressures are not distributed evenly. Economies dependent on commodity exports, vulnerable to climate-related disasters or heavily reliant on external financing may face considerably greater exposure to external shocks.

5.3. The Changing Creditor Landscape

The modern debt system is also more fragmented than it once was. A government may owe money simultaneously to other states, multilateral institutions, commercial banks and private bondholders, each operating under different legal arrangements and expectations. This diversity can make restructuring significantly more complicated. A solution that satisfies one creditor group may not satisfy another, creating coordination problems and potentially prolonging periods of debt distress.

5.4. The Central Challenge

The issue before the Committee is therefore not simply whether governments have borrowed too much. It is how the international system can identify unsustainable debt early, respond to distress efficiently and ensure that vulnerable economies retain sufficient fiscal space to pursue development.

6. The International Debt System

6.1. The Institutions Behind the System

The international debt architecture is not controlled by a single institution. The International Monetary Fund (IMF) provides financial assistance, economic surveillance and technical support, while the World Bank and other multilateral development banks primarily provide development financing and technical assistance. Bilateral creditors provide government-to-government lending, with the Paris Club serving as a forum for coordination among participating official creditors. The G20 has also become an important political forum for discussions on sovereign debt, particularly through the Common Framework. Alongside these actors are private creditors, including commercial banks, investment funds and bondholders.

Each actor has a different mandate and relationship with the debtor state. Understanding these distinctions is essential because a proposal is only meaningful if it can be implemented by an institution with the appropriate authority.

6.2. The Role of ECOFIN

ECOFIN does not replace or control these institutions. Its role is to provide a multilateral political forum where Member States can discuss international economic and financial issues and develop recommendations for greater cooperation. The Committee must therefore distinguish between what can be recommended through a UN resolution and what requires the independent decision-making of another institution.

7. Debt Restructuring

7.1. What Does Restructuring Mean?

Debt restructuring refers to modifying the terms of existing debt when a government faces difficulty meeting its obligations. This can involve extending repayment periods, reducing interest rates, providing temporary payment relief or reducing the amount ultimately repaid. The objective is not necessarily to eliminate debt, but to restore a position in which the government can meet its obligations without sacrificing essential economic and developmental priorities.

7.2. When Should Restructuring Occur?

Timing is one of the central difficulties. If restructuring occurs too early, a country may undergo unnecessary financial disruption and potentially lose access to future financing. If it occurs too late, economic deterioration may make the eventual adjustment substantially more severe. The question becomes particularly complicated when several creditor groups are involved. A restructuring that excludes major creditors may provide insufficient relief, while creditors may hesitate to offer concessions if they believe others will benefit without contributing.

7.3. Debt Restructuring and Development

Restructuring also has consequences beyond government balance sheets. Excessive debt-service obligations can restrict spending on education, healthcare, infrastructure and climate adaptation, while poorly designed restructuring can create instability within domestic financial institutions. The challenge is therefore to restore debt sustainability while protecting the foundations necessary for long-term economic recovery.

8. Existing International Responses

8.1. From Debt Relief to Coordinated Restructuring

The international community has developed several mechanisms in response to sovereign debt distress. The Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) provided substantial debt relief to qualifying low-income countries. During the COVID-19 pandemic, the G20 Debt Service Suspension Initiative (DSSI) temporarily suspended certain debt-service payments for eligible low-income countries, providing short-term fiscal space during an exceptional global crisis.

The G20 Common Framework for Debt Treatments beyond the DSSI, introduced in 2020, subsequently sought to provide a more coordinated approach to restructuring for eligible countries facing debt distress. The Global Sovereign Debt Roundtable, convened by the IMF, World Bank and G20 Presidency, provides another forum for debtors, official creditors and private creditors to discuss restructuring challenges. These initiatives demonstrate that international cooperation is possible, but they have also brought attention to continuing questions surrounding speed, creditor coordination, transparency and private-sector participation.

9. Case Studies

9.1. Sri Lanka

Sri Lanka's 2022 sovereign default followed severe foreign-exchange shortages, inflation and broader economic instability. The country subsequently entered an IMF-supported programme and began negotiations with multiple creditor groups. Sri Lanka illustrates how sovereign debt distress can develop alongside wider macroeconomic instability and how restructuring can require coordination between different categories of creditors.

9.2. Zambia

Zambia defaulted on its external debt in 2020 and subsequently became an important test of the G20 Common Framework. Its restructuring involved negotiations with official bilateral creditors and private creditors, highlighting the difficulties of achieving coordinated treatment across different creditor groups.

9.3. Ghana

Ghana experienced substantial fiscal pressures and undertook both domestic and external debt restructuring. Its experience demonstrates that sovereign restructuring can affect domestic banks, pension funds and the wider financial system, making financial stability an important consideration alongside debt relief.

9.4. What These Cases Demonstrate

These cases are not identical, nor should they be treated as templates for every future crisis. Their importance lies in the recurring issues they reveal: the value of early intervention, the difficulty of creditor coordination, the relationship between sovereign and financial-sector stability, and the challenge of balancing immediate relief with long-term recovery.

10. Debt Transparency and Sustainability

10.1. Knowing What Is Owed

Effective debt management begins with reliable information. Governments, creditors and international institutions require accurate data concerning debt levels, creditor composition, interest rates, maturities and other relevant obligations. Incomplete information can make it difficult to assess sustainability and may delay restructuring negotiations by creating uncertainty over the scale and nature of a country's liabilities.

10.2. Debt Sustainability

Debt sustainability cannot be determined by a single figure. Assessments must consider economic growth, fiscal revenues, interest rates, exchange rates, financing conditions and future debt-service requirements. Transparency can therefore function as a preventative tool. Identifying vulnerabilities earlier may allow governments and creditors to respond before financial pressures develop into a full-scale sovereign crisis.

11. Financial Stability and Systemic Risk

11.1. Beyond the Sovereign

Government debt is closely connected to the wider financial system. Domestic banks frequently hold government securities, creating a sovereign-bank nexus in which deterioration in government finances can weaken banks, while banking-sector crises can simultaneously increase pressure on government finances. Changes in global interest rates can increase refinancing costs, while depreciation of a country's currency can make foreign-currency debt significantly more expensive to service.

11.2. International Spillovers

Sovereign distress can also affect countries beyond the debtor itself. International investors may reassess risks across economies with similar vulnerabilities, potentially triggering capital outflows and higher borrowing costs elsewhere. The Committee must therefore consider debt restructuring not only as a means of protecting individual economies, but also as part of maintaining broader international financial stability.

12. Vulnerable and Developing Economies

12.1. The Development–Debt Dilemma

Borrowing can be an important instrument for development. Governments may use debt to finance infrastructure, public services and productive investment that generate economic returns over time. The difficulty arises when debt-service obligations begin to consume resources required for those very objectives. Developing economies may also face higher exposure to external shocks because of limited domestic financial markets, commodity dependence, climate vulnerability and reliance on foreign financing.

12.2. External Shocks

Natural disasters, commodity-price fluctuations, sudden capital outflows and changes in global borrowing conditions can rapidly worsen fiscal positions. For climate-vulnerable states, major disasters may simultaneously reduce government revenues and create substantial reconstruction costs. The international system must therefore consider how financing and restructuring mechanisms can provide sufficient space for vulnerable economies to recover without creating repeated cycles of unsustainable borrowing.

13. International Cooperation and Creditor Coordination

13.1. Who Bears the Burden?

Modern restructuring can involve bilateral governments, multilateral institutions, commercial banks and private investors. Their different legal arrangements and interests can make negotiations lengthy and difficult. The principle of comparability of treatment seeks to ensure that different creditor groups provide broadly comparable levels of relief. Determining what is genuinely comparable, however, can be difficult when claims differ in maturity, interest rates, collateral and legal protections.

13.2. Sovereignty and Creditor Rights

Debt restructuring must also navigate the tension between a state's need to restore economic stability and creditors' legitimate claims to repayment. International cooperation must therefore seek to accelerate restructuring without disregarding contractual obligations, creditor rights or national sovereignty. The central question is how this balance can be achieved without allowing either debtors or creditors to avoid responsible participation in the restructuring process.

14. Reforming the International Debt Architecture

14.1. Where Can the System Improve?

Existing mechanisms provide important avenues for debt relief and coordination, but recurring restructuring delays demonstrate that significant challenges remain. Reform discussions may therefore focus on earlier identification of debt distress, stronger debt transparency, clearer restructuring procedures, improved creditor coordination and greater predictability. The objective need not be the creation of an entirely new international institution. In many cases, the more immediate question may be how existing institutions and mechanisms can communicate, coordinate and respond more effectively.

14.2. The Question of Implementation

A proposal may appear ambitious while remaining difficult to execute if it does not identify who possesses the authority, resources and willingness to implement it. Delegates should therefore consider not only what should change, but also who would implement that change, how it would be financed and how participation would be secured.

15. Key Policy Dilemmas

15.1. The Questions at the Centre of the Committee

At its core, the international debt debate involves several competing considerations. How much relief is sufficient to restore sustainability? Who should bear the cost of restructuring? How can private creditors be encouraged to participate? How can restructuring be accelerated without undermining creditor confidence? How can debt relief protect development spending without creating incentives for irresponsible borrowing?

There is no single answer to these questions. The Committee must navigate the tensions between debt sustainability and creditor rights, immediate relief and long-term financial stability, development needs and fiscal discipline, and national sovereignty and international coordination.

The purpose of ECOFIN is therefore not simply to identify the existence of a global debt problem, but to examine how the international system can respond to it in a manner that is credible, cooperative, financially responsible and sensitive to the realities faced by vulnerable and developing economies.

16. Research & Preparation

16.1. What Delegates Are Expected to Know

This background guide is intended to provide the foundation, not the entirety, of your preparation. Delegates are expected to research beyond the material presented here and develop a clear understanding of both the international debt system and their country's specific position within it.

Your research should ideally cover:

- Your country's current debt position and major creditors
- Its exposure to external debt, foreign-currency borrowing and interest-rate changes
- Its relationship with the IMF, World Bank and other financial institutions
- Its position on debt restructuring and international financial cooperation
- Previous instances of debt distress, restructuring or international assistance
- Existing national policies concerning fiscal sustainability and debt management
- Relevant international agreements, frameworks and resolutions supported or opposed by your country

Delegates should also familiarise themselves with the G20 Common Framework, HIPC Initiative, DSSI, Global Sovereign Debt Roundtable and relevant IMF and World Bank debt-sustainability frameworks, as these provide important context for understanding the existing international architecture.

16.2. Going Beyond the Background Guide

The strongest preparation will not come from memorising statistics or reproducing arguments from this guide. Delegates should instead ask why existing mechanisms have struggled, who benefits from particular arrangements, where institutional gaps exist and whether proposed solutions can realistically be implemented.

Particular attention should be given to the interests of both debtor and creditor states. A country experiencing debt distress will not necessarily approach restructuring in the same manner as a major creditor, financial centre or developing economy with substantial lending exposure.

Ultimately, delegates should enter committee with three things: a well-researched country position, a clear understanding of the international mechanisms involved, and practical ideas that can survive negotiation. The objective is not simply to identify what is wrong with the existing system, but to understand what can realistically be changed within it.

17. Questions a Resolution Must Answer (QARMA)

A resolution should not merely acknowledge the existence of the global debt burden. It should demonstrate a clear understanding of how the proposed mechanisms would function in practice. Delegates are encouraged to use the following questions as a framework while developing their working papers and draft resolutions:

1. How can the international community identify sovereign debt distress early enough to enable restructuring before a country reaches a full-scale default?
2. How can existing debt-restructuring mechanisms be made faster, more predictable and accessible to vulnerable and developing economies?
3. How should responsibility for debt restructuring be distributed between bilateral creditors, multilateral institutions and private creditors?
4. How can the international community encourage meaningful participation from private creditors while respecting contractual and legal obligations?
5. What mechanisms can improve debt transparency and ensure that governments, creditors and international institutions possess reliable and comparable information?
6. How can debt restructuring protect essential development expenditure, particularly in healthcare, education, infrastructure and climate resilience, without compromising long-term fiscal sustainability?
7. How can international debt mechanisms address the financial risks created by foreign-currency debt, rising interest rates and the sovereign-bank nexus?
8. What reforms can strengthen international creditor coordination while respecting the sovereignty of debtor states and the legitimate rights of creditors?
9. How can the international financial system prevent countries emerging from restructuring from repeatedly returning to unsustainable levels of debt?
10. What role should ECOFIN and the wider United Nations system play in strengthening cooperation between existing institutions without duplicating their mandates?

18. References & Further Reading

18.1. Primary Sources

Delegates are strongly encouraged to rely on primary and institutional sources while researching their country's position and the broader international debt architecture. Useful sources include:

1. United Nations - Economic and Financial Committee (Second Committee)
2. United Nations - Department of Economic and Social Affairs (UNDESA)

3. International Monetary Fund (IMF)
4. World Bank
5. G20
6. Paris Club
7. UNCTAD - United Nations Conference on Trade and Development
8. World Bank–IMF Debt Sustainability Frameworks
9. G20 Common Framework for Debt Treatments beyond the DSSI
10. Global Sovereign Debt Roundtable

18.2. Further Research

Delegates should not restrict their preparation to the material contained within this guide. Particular attention should be given to official statements made by their assigned government, national debt statistics, IMF Article IV reports, debt sustainability assessments, restructuring agreements and relevant statements made in multilateral forums. The sources above provide a starting point for understanding the institutional framework. Delegates are expected to go further and examine the specific economic circumstances, diplomatic priorities and existing commitments of their respective countries.

A well-researched delegate should be able to distinguish between what their country has previously supported, what it currently advocates, and what it may realistically negotiate within the committee.