

The Restructuring Process

IMF Conference

Sovereign Debt: A Guide for Economists and Practitioners

September 14, 2018

The Restructuring Process

1. The *dramatis personae*
 - Debtor(s)
 - Multilateral lenders
 - Bilateral creditors
 - Commercial creditors
2. Opening tactical issues
 - Sequencing of bilateral and commercial restructurings
 - Pre-emptive debt restructurings
 - “Eligible” debt categories
3. The negotiation process
 - Creditor consultation/negotiation
 - Role of creditor committees
 - Paris Club/non-Paris Club bilaterals
4. “Encouraging” creditor participation
 - The holdout creditor problem
 - Carrots
 - Sticks