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# **SUPPLEMENTARY ITEM**

**DRAFT RESOLUTION**

**ON**

**URGING ADOPTION OF PARIS CLUB COMMITMENT REGARDING  
VULTURE FUNDS**

**Principal Sponsor  
Ms. Gwen Moore  
USA**

**ASTANA, 29 JUNE to 3 JULY 2008**

## Urging Adoption of Paris Club Commitment Regarding Vulture Funds

**Principal Sponsor**  
**Gwen Moore**  
**USA**

1. Recognizing again that as increasing numbers of specialized asset management companies, commonly known as “vulture funds,” buy the distressed commercial debt of heavily indebted poor countries (HIPC) and then engage in abusive litigation against those countries, efforts to alleviate poverty through multilateral debt relief are threatened and undermined,
2. Reaffirming sentiments expressed in the Kyiv Declaration that OSCE participating States provide greater legal and technical assistance to heavily indebted poor countries facing possible litigation, and develop a code of conduct on responsible lending for commercial creditors that discourages or prohibits “vulture fund” profiteering and provides greater legal protection to debtor countries,
3. Reiterating its firm support for ensuring that debt cancellation continue to provide impoverished countries with the opportunity to start fresh and to devote resources saved as a result of the debt relief to essential health, education, and other spending that promote development and alleviate poverty,
4. Recognizing that attempts to curtail this practice will require concerted action from individual countries, regional government entities like the EU, and institutions such as the International Monetary Fund and the World Bank to ensure that the benefits of debt cancellation go to the people who need them,
5. Applauding and expressing support for the May 2007 statement by Paris Club committing not to sell their claims on HIPC countries to creditors who do not intend to provide debt relief under the HIPC initiative,
6. Acknowledging that the stance by the Paris Club creditors is a model that should be adopted by other countries to prevent developing countries that receive debt relief from being subjected to litigation,

### **The OSCE Parliamentary Assembly:**

7. Welcomes the statement by the Paris Club countries and their commitment to intensify work to identify concrete measures to tackle this problem;
8. Encourages all OSCE participating states, especially those that are not Paris Club members, to formally adopt and implement policies equivalent to the Paris Club commitment, and formally commit not to on sell their claims on HIPC creditors to creditors who do not intend to provide debt relief, further protecting impoverished countries from “vulture funds;”
9. Encourages all OSCE participating states to consider and take other options, including legislation, to reduce the impact of Vulture Funds on bilateral and multilateral debt relief initiatives to developing countries;

10. Commits itself to actively engage and cooperate with the IMF, World Bank and Paris Club in order to develop and strengthen the necessary Codes of Conduct that could prevent Vulture Funds from buying debt from indebted countries;
11. Continues to recognize the need to provide financial and technical assistance to Heavily Indebted Poor Countries in defending themselves should they become the target of such lawsuits.

**AMENDMENT TO SUPPLEMENTARY ITEM**

on

**URGING ADOPTION OF PARIS CLUB COMMITMENT REGARDING VULTURE FUNDS**

*[Set out text of Amendment here:]*

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