The Restructuring Process

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Sovereign Debt: A Guide for Economists and Practitioners
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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