The middle income trap, environmental vulnerability and sovereign debt sustainability: Experiences and policy responses

UNCTAD
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The Debt-Growth Nexus

Figure 12. Stylized Shape of the Threshold Effects of Public Debt on Growth
UNCTAD Roadmap and Guide on Sovereign Debt Workout
Recommendations

• Act **now** and develop a comprehensive debt restructuring framework;
• to suggest pragmatic **debt relief options for countries most in need**; f.i. a Heavily Indebted Caribbean Countries initiative
• build a new deal on debt on the **principles** of comprehensiveness, impartial assessment of the debtor’s situation and impartial decision making.