

Kulluna Irada calls for a competitive and transparent process to select the two advisory firms on debt restructuring

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Kulluna Irada renews its call for debt restructuring within the framework of a comprehensive rescue plan which ensures social safety nets and urgent economic needs. The March Eurobond maturity should be considered as a chance for the Lebanese Government to make a concluding decision on this critical matter.

We reaffirm the need to make this decision based on a transparent and inclusive process which takes into consideration the will of the Lebanese people which has risen since 17 October 2019 and the interests of the most vulnerable groups, especially small depositors.

Therefore, given the size of the debt maturity and its consequences, Kulluna Irada calls for selecting the legal and financial firms who shall advise the State on the debt restructuring, based on a competitive and transparent process and an independent technical evaluation.

Kulluna Irada calls on the Government to initiate at the soonest a call for proposals from 3 to 5 international law firms specialized in advising states on debt restructuring and 3 to 5 international financial advisory firms also specialized in debt restructuring. This selection process should be conducted by a sub-committee of the higher crisis management committee and composed of representatives of the Presidency of the Council of Ministers, Ministry of Finance, Ministry of Economy, Ministry of Justice, the bar association and civil society, with expert support as needed.

We suggest the following timeline:

- 13 February: forming the committee
- 17 February: publishing ToR and call for proposals
- 24 February: opening proposals and selecting winners
- 25 February: the two selected firms are given one week to present their reports on the available options for the Government and their recommendations as to the next steps and measures to be taken before the maturity date of 8 March.

Only a swift, scientific, legal and transparent approach can guarantee the seriousness of the Government in conducting a professional and responsible evaluation of the March maturity and can give its decision the needed legitimacy at this historic juncture.

Whatever the decision, it will not be easy or perfect, but taking such critical decisions via legal means and transparent procedures is the only guarantee of a credible decision-making process in accordance with national interest.