

The London Coalition

Overview

The London Coalition on Sustainable Sovereign Debt (LC) combines financial sector expertise with public sector insight to drive forward pragmatic solutions for more sustainable and affordable sovereign financing options and to improve restructuring outcomes for emerging and developing economies (EMDEs). The goal of the LC is to mobilise and coordinate market participants across the international capital markets to design and implement solutions that lead to actual transactions.

The LC provides a structured avenue to engage with private creditors on issues affecting both bonded and non-bonded debt, including market-based solutions that will ensure long-term stable flows of capital to EMDEs. These include debt contract innovations to i) provide liquidity relief solutions in the face of exogenous shocks for qualified borrowers and ii) promote transparency in sovereign lending. As well as strengthening the market-based or contractual approach, the LC will bring together private creditors to promote better coordination on restructurings and address issues countries face in exiting default.

The LC is a new collaboration, led by high ambition private sector market participants and relevant partners — creating targeted technical working groups where needed and engaging, when appropriate, with existing industry bodies. The LC complements the work of forums such as the Global Sovereign Debt Roundtable, International Financial Institutions and Industry Bodies, including the International Monetary Fund, World Bank, International Institute of Finance and the Paris Club. The LC will also include representation from debtor countries to ensure it delivers strong outcomes across the range of participants in sovereign debt markets.

LC Governance Structure

The LC will be guided by a **Steering Committee** co-chaired by the UK Economic Secretary to the Treasury, Emma Reynolds, who leads on the UK's financial services policy, reform and regulation, and José Vinals, former Chairman of Standard Chartered Bank, who will serve in his personal capacity bringing vast experience from both the public and private sectors. The Steering Committee will set and oversee the agenda and progress on workstreams focusing on bonded and non-bonded debt.

In between Steering Committee meetings, work will be carried out by technical **Working Groups** comprised of industry specialists with experience financing EMDEs or participating in restructurings. The working groups will focus on finding solutions to technical challenges and sharing expertise.

The LC will be supported by a staffed **Secretariat**, housed at the Sustainable Sovereign Debt Hub ([SSDH](#)).

LC Workstreams

At present it is anticipated that there will be two workstreams with associated working groups: the non-bonded debt workstream and the bonded debt workstream.

- The non-bonded debt workstream will seek to secure progress on loan document reform and related issues to improve restructuring outcomes, for example, by addressing creditor coordination issues.
- The bonded debt workstream will seek to secure progress on instrument reform to improve borrowing options for vulnerable countries, for example, by including “shock-absorbing features” (e.g., CRDCs or debt pause clauses) into bond contracts to mitigate risk of default in the face of certain exogenous shocks. The bonded debt workstream will also explore other contractual provisions that can ensure EMDE access to markets, lower the cost of capital and, in times of distress, improve restructuring outcomes.

Both workstreams will focus on measures to enhance debt transparency and seek to reduce obstacles for creditors and debtors in reporting their public liabilities.

Tentative LC Timeline

	Q1	Q2	Q3	Q4	2026
Steering Group	UK Chancellor announced LC: (February 20, 2025)	Announcement LC Co-Chairs: IMF/WB Spring Meetings (April 2025) LC Launch Meeting (June 23, 2025)	Meeting Steering Committee (end-September)	Meeting Steering Committee (end - December)	Secure instrument templates Market Issuances
WG on bonded debt	Launch bonded debt workstream: Bondholder Working Group (January 2025)	Define WG objectives and issues Consultation of BWG proposal w/ CRAs, Issuers, other stakeholders	Solution generation	Presentation WG outputs	Review workstream plans + next phase
WG on non-bonded debt		Launch Non-bonded Debt Working Group Define WG objectives and issues.	Solution generation	Presentation WG outputs	Review workstream plans + next phase