

A growing number of developing countries have found themselves facing litigation on commercial debts which are not being paid or have fallen into arrears. This may be for a number of reasons including:

- the creditor is not willing to provide debt relief under the HIPC or other international initiatives and is seeking fully repayment
- the country's debt may have been bought on the secondary market by a 'vulture fund' with the aim of suing for full repayment.

There are however steps countries can take to avoid lawsuits, which are discussed in [Negotiating Debt Reduction in the HIPC Initiative and Beyond](#)

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One of the most high profile litigations in recent years was the case of the Government of Zambia and Donegal International, for more information on this please go to [unctad.org/dmfas](http://unctad.org/dmfas) .

Information on lawsuits is also published in the [IMF's annual Status of Implementation Report](#) on the HIPC and MDRI initiatives.