

Mandates of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights; the Working Group on the issue of human rights and transnational corporations and other business enterprises; the Special Rapporteur in the field of cultural rights; the Special Rapporteur on the right to food; the Special Rapporteur on the rights to freedom of peaceful assembly and of association; the Independent expert on the promotion of a democratic and equitable international order; the Independent Expert on human rights and international solidarity; the Special Rapporteur on minority issues; the Working Group on the rights of peasants and other people working in rural areas; the Special Rapporteur on contemporary forms of racism, racial discrimination, xenophobia and related intolerance; the Special Rapporteur on violence against women and girls, its causes and consequences and the Working Group on discrimination against women and girls

Ref.: AL OTH 137/2024
(Please use this reference in your reply)

19 December 2024

Dear Ms. Georgieva,

We have the honour to address you in our capacities as Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights; Working Group on the issue of human rights and transnational corporations and other business enterprises; Special Rapporteur in the field of cultural rights; Special Rapporteur on the right to food; Special Rapporteur on the rights to freedom of peaceful assembly and of association; Independent expert on the promotion of a democratic and equitable international order; Independent Expert on human rights and international solidarity; Special Rapporteur on minority issues; Working Group on the rights of peasants and other people working in rural areas; Special Rapporteur on contemporary forms of racism, racial discrimination, xenophobia and related intolerance; Special Rapporteur on violence against women and girls, its causes and consequences and Working Group on discrimination against women and girls, pursuant to Human Rights Council resolutions 52/17, 53/3, 55/5, 49/13, 50/17, 57/7, 53/5, 52/5, 54/9, 52/36, 50/7 and 50/18.

We are independent human rights experts appointed and mandated by the United Nations Human Rights Council to report and advise on human rights issues from a thematic or country-specific perspective. We are part of the special procedures system of the United Nations, which has 60 thematic and country mandates on a broad range of human rights issues. We are sending this letter under the communications procedure of the Special Procedures of the United Nations Human Rights Council to seek clarification on information we have received. Special Procedures mechanisms can intervene directly with Governments and other stakeholders (including companies) on allegations of abuses of human rights that come within their mandates by means of letters, which include urgent appeals, allegation letters, and other communications. The intervention may relate to a human rights violation that has already occurred, is ongoing, or which has a high risk of occurring. The process involves sending a letter to the concerned actors identifying the facts of the allegation, applicable international human rights norms and standards, the concerns and questions

Ms. Kristalina Georgieva
Managing Director
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of the mandate-holder(s), and a request for follow-up action. Communications may deal with individual cases, general patterns and trends of human rights violations, cases affecting a particular group or community, or the content of draft or existing legislation, policy or practice considered not to be fully compatible with international human rights standards.

In this connection, we would like to bring to your attention information we have received concerning **the role of the International Monetary Fund (IMF) on global currency fluctuations and its impact on human rights in relation to IMF's loans granted to low-income countries (LICs)**. To this end, we would like to share several observations and seek further clarification and elaboration on these matters.

According to the information received:

After the Bretton Woods Agreement, the International Monetary Fund (IMF) played a significant role in managing and stabilizing currency fluctuations globally. From 1944 to 1971, exchange rates were backed by gold. The stability of this system relied on uniform Central Bank policies, balanced payments, healthy economies, and political cooperation among member nations.

The IMF was created to monitor global economic trends and provide policy advice to member countries. This includes financial support, offering recommendations, technical assistance, and training on monetary and exchange rate policies to help stabilize currencies. However, currency stability has waned over time as countries hesitate to devalue their currencies despite inflation and imbalanced payments. The IMF and other international organisations such as the OECD, WTO, and World Bank, which have the mandate to provide financial aids and advice to developing nations, have been imposing stringent austerity measures as conditions for loans. These measures often lead to severe economic contractions and affect currency stability, limiting also access to resources and opportunities needed for economic stability. There is a threat to human rights posed by potential conditionalities imposed in current and upcoming international debt renegotiations, particularly the OECD's Pillars One and Two proposals.¹ These measures undermine public spending and economic growth in developing countries, leading to further currency devaluation.

The IMF's structural adjustment programs (SAPs) require countries to implement economic reforms that may include devaluation of their currency. Critics argue these reforms can cause inflation and economic instability, further impacting currency values. For instance, in Honduras, the IMF has recommended making the exchange rate more flexible, which has led to a gradual devaluation of the Lempira. This is part of broader economic reforms supported by the IMF to create fiscal space for investment and social spending. The IMF has also been involved in Argentina's economic policies, including currency devaluation, as part of its loan agreements to stabilize the economy.² In 2016, Egypt floated its currency as part of an IMF-backed

¹ See JAL [OTH 25/2022](#); JAL [OTH 24/2022](#); JAL [OTH 23/2022](#); JAL [OTH 22/2022](#); JAL [OTH 21/2022](#), and [response](#) to JAL [OTH 21/2022](#).

reform program, leading to a significant devaluation. The IMF agreed to inject cash after the Egyptian government allowed the Egyptian pound (EGP) to drop to a record low against the US dollar. With an inflation rate of close to 30% in January, Egyptian authorities have been wary of allowing the pound to drop further intensifying the financial hardship on families, especially women-headed households. Ghana's central bank drained its reserves to support its currency for years. In December 2022, that government abandoned these efforts and instead said it would no longer service its external debts and launched a punitive restructuring of domestic debt. The local currency, the cedi, which appreciated strongly in the run-up, has since lost half its value in comparison to the US dollar. In 2024, Ethiopia announced plans to float its currency in a long-delayed reform designed to attract foreign direct investment and cure its foreign currency shortages.

The IMF's austerity measures and structural reforms can lead to reduction in public investments, often affecting cultural and educational institutions first, socioeconomic unrest and political instability, which can negatively impact investor confidence and lead to currency depreciation. The IMF's focus on short-term economic stabilization rather than long-term development can result in measures that stabilize the currency temporarily but do not address underlying economic weaknesses, leading to recurring instability. Research has shown that, in Egypt, the austerity measures supported by the IMF have contributed to a decrease in social spending and an increase in poverty, with women bearing the greatest brunt of these cuts. Cuts in public spending are likely to be compensated by increasing women's unpaid care work, reducing their time for paid work, leisure and rest. In Egypt, fuel and energy subsidy reforms combined with high inflation as a result of currency floating has led to a cumulative increase in the electricity bills for the poorest people, and middle-income families, including particularly women. Other countries affected by such stringent IMF measures include Ecuador and Lebanon. In Lebanon, cutting the wage bill of the public sector, a large employer of women in lower- and middle-income countries, is correlated with increased unemployment levels among women. The promotion of VAT disproportionately impacts low-earning taxpayers, and important group of women are women working in low-paid or in the informal sector. In Ecuador, fiscal austerity measures, and specifically public expenditure reductions for public services recommended in the IMF loan framework, generate disproportionate harm for women in Ecuador through key channels. First, as employees within and users of the public health system; second, as care workers in the unpaid and paid care economy; and third, as debtors of informal and private lenders of credit.

If, upon receiving a loan, devaluation of a hard currency is intended, then it remains very important that it is not exchanged into local currency before devaluation, as this will immediately impact the purchasing power of the country in question. In addition, it would require the same country to keep a running account in a currency other than their own for repayment and this will continue to undermine the faith and trust in the local currency, further delimiting the ability of the country in question from strengthening its own currency. Finally, the effect on the population's ability to buy goods

immediately decreases. Therefore, while the country and its machinery may be able to hedge and reduce the effects of currency fluctuation, the domestic population holding the same salaries will simply lose purchasing power. The devaluation usually leads to inflation and a decrease in purchasing power, negatively impacting the economy and causing further currency instability. A devaluation also means that imports, such as petrol, food and raw materials, will become more expensive. Typically, when petrol increases, the cost-of-living increases.

The IMF often advises countries on economic reforms, including budget cuts, tax increases, and structural adjustments, typically aimed at stabilizing economies and promoting growth. However, these recommendations can sometimes impact civic space and citizens' freedom to organize, protest, and engage in civic activities, further limiting the voices of women and marginalized communities in economic decision-making.

The strengthened neoliberal turn of the past forty years, as reflected in the policies of international economic institutions and national Governments, has demonstrably increased poverty and inequality both between and within countries. These inequalities, underpinned by patriarchy, slavery, racism, colonialism, militarism and environmental destruction, have been exacerbated by orthodox macroeconomic prescriptions, including structural adjustment and austerity measures designed to offset crippling national debts, the liberalization of global trade and investment and the financialization of capital markets, and the resulting monetary and fiscal regimes, the privatization and commodification of public goods and the retreat of the welfare state.

Finally, there are many obstacles that prevent and discourage women from contributing fully and equally to their societies and to participating in the decision making at all levels of society, including the nature of the taxation system in their country. Women who face domestic violence, poverty, and discrimination on intersecting grounds are most likely to be affected by taxation systems that have embedded gender bias against them, as well as excluded from decision making.

Austerity measures and social unrest

IMF's advice often includes austerity measures, like reducing public spending or cutting subsidies, which can increase poverty, reduce access to services, and lead to higher costs for essentials. When these costs escalate, women and marginalized groups face heightened financial pressure, often leading to increased unpaid care work and diminished access to essential services. As a result, these policies can disproportionately affect marginalized groups and the middle class, often sparking protests as citizens express their frustrations with the economic burdens placed on them; protest that in many cases are stigmatized and heavily repressed by the law enforcement agencies, posing a threat on the right to freedom of assembly and of association. For example, Argentina agreed to a 44 billion USD loan with the IMF, which included austerity measures aimed at reducing fiscal deficits.³ The required cuts in

³ See [A/HRC/52/34/Add.1](#)

government spending led to increased costs for utilities and a reduction in subsidies, sparking widespread protests. Many Argentinians expressed frustration over inflation, poverty, and reduced access to essential services, which disproportionately affected vulnerable populations.⁴ In contexts where the legal framework is not fully aligned with international standards guaranteeing the right to peaceful assembly, the social unrest created by the prescribed measures generates serious violations of human rights.

Governments' crackdowns on dissent

Governments implementing IMF recommendations may face public discontent, leading some to restrict civic space to maintain control. This can include limiting freedoms of assembly, censoring media, or introducing restrictive laws that restrict the ability to protest. Civil society groups and activists often face pressure or direct repression in countries undergoing IMF-induced reforms. For example, Tunisia has faced economic challenges and, in seeking IMF support, the government began implementing reforms that led to price hikes and subsidy cuts. When protests erupted, the Tunisian government responded with stricter laws, restricting freedom of assembly and introducing harsh measures to silence dissent. Several activists were detained, and restrictions on civic engagement intensified, as the government sought to avoid backlash against its economic reforms.⁵

Without prejudging the accuracy of these allegations, we express our deep concern regarding the role of the International Monetary Fund (IMF) in global currency fluctuations and its impact on human rights. Particularly in the context of IMF's loans granted to low-income countries (LICs) and the country's ability to guarantee and promote the human rights of its population. Governments should include a broader, more gender-inclusive participation of civil society in crafting these reforms to reduce social unrest and ensure economic reforms are respectful of the social reality.

In light of the responsibility assigned to the IMF during the conclusion of the Summit of the Future in the Design of a Global Financial Architecture, we wish to express our concern regarding the absence of comprehensive human rights impact assessments prior to imposing loan conditions, especially those involving currency devaluation and austerity measures. These assessments should consider the potential short-term and long-term effects on the borrowing country's economy, public spending, and social welfare, taking into account the social welfare of marginalized groups, particularly women, who are often the most vulnerable to economic shifts and cuts in public spending. Furthermore, human rights due diligence should include ex-ante assessments of the human rights impacts of loans and fiscal policy recommendations, taking into account contextual factors related to closing civic space in countries where the IMF and World Bank Group operates. It should also take into account contextual factors such as gender disparities, the impact on women's access to resources, and the role of women in the informal economy. Additionally,

⁴ Center for Legal and Social Studies and Global Coalition for Social Protection Floors. *Towards the Right to Social Security for All: The Impact of Foreign Debt and Harsh Austerity on Argentina's Social Protection System*. October 2024.

⁵ See [A/HRC/41/41/Add.3](#)

international financial organizations should be transparent and make full use of the United Nations Human Rights mechanisms, the Office of the High Commissioner for Human Rights, as well as global academic and civil society expertise, to develop the systems, processes, and indicators necessary to ensure a holistic understanding of the potential impacts. This approach will help to realise their vision where all activities and programmes not only avoid harm but also strengthen the capacity of all individuals to exercise their human rights.

We also express our deep concern about the absence of a global fiscal body to ensure that the IMF's loan conditions prioritize gender equality, sustainable development and long-term economic resilience over short-term fiscal stabilization. This involves shifting the focus from stringent austerity measures to policies that foster economic growth, infrastructure development, social investment and gender equality. The IMF should support countries in developing robust, gender-responsive economic frameworks that do not undermine human rights or place them at risk, that enhance productivity, diversify economies, and strengthen financial systems. This could include investments in education, healthcare, and technology, as well as measures to improve governance and reduce corruption.

We remain deeply concerned by this approach by the IMF in an era where diversification on hard currencies is being rolled out, as well as the setting up of transaction transfer systems as alternatives to the current SWIFT system. Additionally, we are particularly concerned at the impact of these IMF policies on women and girls. Austerity policies disproportionately affect the enjoyment of sexual and reproductive health rights. We bring to your attention that there are alternative models to indebtedness that would not result in increased inequalities through the adoption of austerity and fiscal consolidation measures that lead to reduced social expenditure and that have been shown to undermine the human rights of women and girls living in poverty. Interventions that opened space for dialogue on the human rights impacts of debt and fiscal consolidation in specific countries allowed the adoption of systematic gender-responsive budgeting and financial processes. There is an urgent need to integrate responses informed by intersectional feminist and human rights-based approaches. The adoption of human rights-based and feminist perspectives by States and international organizations to enable the creation of progressive, redistributive global financial governance frameworks that are inclusive and sensitive to the needs and rights of all, essential for addressing both inequalities and poverty in a comprehensive and effective manner.

In connection with the above alleged facts and concerns, please refer to the **Annex on Reference to international human rights law** attached to this letter which cites international human rights instruments and standards relevant to the concerns expressed above.

As it is our responsibility, under the mandate provided to us by the Human Rights Council, to seek to clarify all cases brought to my attention, we would be grateful for your observations on the following matters:

1. Please provide any additional information and/or comment(s) you may have on the concerns that have been mentioned above.

2. Please explain how IMF loan programs ensure respect of a State's human rights obligations especially in debt-affected low-income countries which are required to adopt measures like currency devaluation as part of macroeconomic stabilization reforms.
3. Please provide information on the human rights due diligence policies and processes established by IMF to identify, prevent, mitigate and remedy adverse human rights impacts of its loan programs. In particular, please indicate whether, prior to the granting of IMF's loans to low-income countries (LICs), any assessment were carried out to review the impact of IMF's loan conditionalities on human rights, including the right to food, particularly those including economic reforms that may lead to currency devaluation.
4. Describe to what extent the IMF has considered the gendered impact of macroeconomic policies and loan programs and if pre and post implementation assessment are conducted to evaluate the programs' gendered effects and their broader distributional impact.
5. Please indicate if the IMF's assistance provided to countries undergoing currency devaluation and austerity measures as a part of IMF's loan conditionalities include a human rights impact or risk assessment of the impact of this measure on the welfare of the country. In particular, which impact assessments have been undertaken for low-income countries to protect human rights, including the socio-economic rights of their populations, and those specifically concerning women and girls?
6. Please describe to what extent the IMF has considered the impact of the currency fluctuations on the ability of States to fulfil their obligations for the realization of economic, social and cultural rights and other international human rights obligations as required under principle 15 of the UN Guiding Principles on Human Rights Impact Assessment of Economic Reforms.
7. Please describe how the IMF considers the gendered impact of the macroeconomic policies and loan programs and how it conducts a pre-and post-impact assessment of its programs, especially with regards to their distributional impact as well as their effects from a gendered point of view.
8. Please describe how the IMF's social spending policy recommendations focus on establishing participatory, binding and transparent criteria and outcomes for social spending floors that are agreed with all stakeholders, including with citizens, small-scale food producers, and other groups, especially women's rights organizations.
9. Noting that the IMF has no remedy mechanism in place, please provide information on whether the IMF envisages the creation of such a mechanism to provide remedy to rights-holders negatively impacted by

their policies or programmes, recalling the expectation for international organizations to have in place operational-level grievance mechanisms, in line with the effectiveness criteria under the United Nations Guiding Principles on Business and Human Rights.

This communication and any response received from you will be made public via the communications reporting [website](#) within 60 days. They will also subsequently be made available in the usual report to be presented to the Human Rights Council.

We may publicly express our concerns in the near future as, in our view, the information upon which the press release will be based is sufficiently reliable to indicate a matter warranting immediate attention. We also believe that the wider public should be alerted to the potential implications of the above-mentioned allegations. The press release will indicate that we have been in contact with you to clarify the issue/s in question.

We would like to thank you for sharing a copy of this letter with the IMF Board members.

Please be informed that a copy of this letter has been sent to the Organisation for Economic Co-operation and Development (OECD), the World Trade Organization (WTO), the World Bank and the governments of Argentina, Ecuador, Egypt, Ethiopia, Ghana, Honduras, Lebanon and Tunisia.

Please accept, Ms. Georgieva, the assurances of our highest consideration.

Attiya Waris

Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights

Fernanda Hopenhaym

Chair-Rapporteur of the Working Group on the issue of human rights and transnational corporations and other business enterprises

Alexandra Xanthaki

Special Rapporteur in the field of cultural rights

Michael Fakhri

Special Rapporteur on the right to food

Gina Romero

Special Rapporteur on the rights to freedom of peaceful assembly and of association

George Katrougalos

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Cecilia M. Bailliet

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Nicolas Levrat
Special Rapporteur on minority issues

Geneviève Savigny
Chair-Rapporteur of the Working Group on the rights of peasants and other people
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K.P. Ashwini
Special Rapporteur on contemporary forms of racism, racial discrimination,
xenophobia and related intolerance

Reem Alsalem
Special Rapporteur on violence against women and girls, its causes and consequences

Laura Nyirinkindi
Chair-Rapporteur of the Working Group on discrimination against women and girls

Annex

Reference to international human rights law and standards

Bearing in mind that States have the primary responsibility to comply with international human rights law, we would like to recall that under international law, international organizations with an international legal personality bear international obligations and responsibility for breaches, as established by the Draft articles on the responsibility of international organizations, adopted by the International Law Commission in 2011. Article 3 establishes that every internationally wrongful act of an international organization entails the international responsibility of that organization, while article 4 states that “There is an internationally wrongful act of an international organization when conduct consisting of an action or omission: (a) is attributable to that organization under international law; and (b) constitutes a breach of an international obligation of that organization”. We would further like to draw your attention to draft articles 15 and 16, which establish that an international organization which aids/assists/directs and controls a State or another international organization in the commission of an internationally wrongful act is internationally responsible for doing so if: “(a) the former organization does so with knowledge of the circumstances of the internationally wrongful act; and (b) the act would be internationally wrongful if committed by that organization”.

Thus, in connection with above alleged facts and concerns, we would like to draw the attention to the relevant international norms and standards that are applicable to the issues brought forward by the situation described above.

One of the pillars of the protection of economic, social and cultural rights under article 2 of the International Covenant on Economic, Social and Cultural Rights (ICESCR) is the obligation to progressively realize the rights set out in the Covenant, making use of the maximum of available resources.

In compliance with article 2.2 of the Covenant, and the provision on progressive realisation of these rights, States should not adopt impermissible retrogressive measure, unless strictly justifiable. As the Committee on Economic, Social and Cultural Rights has clarified, retrogressive measures, meaning taking steps that would reduce the enjoyment of economic, social and cultural rights, are only permissible under certain strict circumstances. Furthermore, the onus is on the various Governments to demonstrate that their proposed measures will meet all their human rights obligations, notably by ensuring that measures are, among other characteristics, necessary, in that they must be justifiable after the most careful consideration of all other less restrictive alternatives; reasonable, in that the means chosen are the most suitable and capable of achieving the legitimate aim; not discriminatory, aimed at mitigating the inequalities that can emerge in times of crisis; and ensuring that the rights of disadvantaged and marginalized individuals and groups are not disproportionately affected; and subject to meaningful review and accountability procedures. In its general comment No. 12 (1999), the Committee on Economic, Social and Cultural Rights noted that an “adequate” standard of living was “to a large extent determined by prevailing social, economic, cultural, climatic, ecological and other conditions”, and this cannot be reduced to a simple, universal monetary threshold. The right to an adequate standard of living encompasses food and nutrition,

housing, electricity, water and sanitation. The right to rest and leisure protected in article 24 of the Universal Declaration of Human Rights and article 30 of the Convention on the Rights of the Child is also central for women and girls, who are often severely affected by time poverty as identified by the Working Group on discrimination against women and girls (A/HRC/53/39).

Article 25 of the Universal Declaration of Human Rights recognises the right of everyone to a standard of living adequate for the health and well-being of themselves and of their family, including food.

Article 1 of ICESCR states that all peoples have the right to freely determine their political status and freely pursue their economic, social and cultural development by virtue of the right to self-determination. All peoples may, for their own ends, freely dispose of their natural wealth and resources without prejudice to any obligations arising out of international economic co-operation, based upon the principle of mutual benefit, and international law. In no case may a people be deprived of their own means of subsistence.

Article 11(1) of ICESCR recognizes the right of everyone to an adequate standard of living for themselves and their family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. This article must be read in conjunction with article 2(2). Thus, article 11 of ICESCR recognizes the fundamental right of everyone to be free from hunger and calls on States to consider, individually and through international co-operation, the problems of both food-importing and food-exporting countries, to ensure an equitable distribution of world food supplies in relation to need. This requires States, among other things, to take appropriate action in relation to the regulation of international food markets and – for States who are able to do so – to provide international assistance. The adoption of legislation or policies which are "manifestly incompatible with pre-existing legal obligations relating to the right to food" may be considered a violation of the right to food, including the failure of a State to take into account relevant international legal obligations when entering into international agreements (e.g., relating to trade or investment) with other States or with international organizations, States parties should refrain from food embargoes or similar measures which endanger conditions for food production and access to food in other countries. Moreover, article 11(2) requires the States Parties to the ICESCR to take, individually and through international co-operation, the measures, including specific programs, which are needed to improve methods of production, conservation and distribution of food by making full use of technical and scientific knowledge, by disseminating knowledge of the principles of nutrition and by developing or reforming agrarian systems in such a way as to achieve the most efficient development and utilization of natural resources.

As stated in general comment 12, "States parties should recognize the essential role of international cooperation and comply with their commitment to take joint and separate action to achieve the full realization of the right to adequate food. In implementing this commitment, States parties should take steps to respect the enjoyment of the right to food in other countries, to protect that right, to facilitate access to food and to provide the necessary aid when required. States parties should, in international agreements whenever relevant, ensure that the right to adequate food is given due attention and consider the development of further international legal

instruments to that end”. In interpreting article 11, the Committee stressed that the core content of the right to adequate food refers to the possibilities either for feeding oneself directly from productive land or other natural resources, or for well-functioning distribution, processing, and market systems (para. 12). It entails both economic and physical accessibility of food, as well as the sustainability of food access for both present and future generations (para. 7), in particular, economic accessibility means that food must be affordable to all; expenses for food must not be so high as to compromise the enjoyment of other human rights. The obligation to protect requires measures by the State to ensure that enterprises or individuals do not deprive individuals of their access to adequate food. The obligation to fulfil (facilitate) means the State must pro-actively engage in activities intended to strengthen people’s access to and utilization of resources and means to ensure their livelihood. The right to be free from hunger and malnutrition is not subjected to progressive realization, as it must be fulfilled in a more urgent manner (para. 1). The Committee also recalled that the formal repeal or suspension of legislation necessary for the continued enjoyment of the right to food may constitute a violation of this right. Furthermore, States must guarantee that food is available, which refers to the possibilities either for feeding oneself directly from productive land or other natural resources, or for well-functioning distribution, processing and market systems that can move food from the site of production to where it is needed in accordance with demand. In his thematic report of 2020 (A/75/219), the Special Rapporteur on the right to food, underlines the importance of developing international trade law and policy that focuses on three human rights principles - dignity, self-sufficiency, and solidarity – to ensure the full realization of the right to food in a sustainable manner.

In its general comment 21, refereeing to the right to take part in cultural life, the Committee on Economic, Social and Cultural Rights also stressed the right to take part in the development of the community to which a person belongs, and in the definition, elaboration and implementation of policies and decisions that have an impact on the exercise of a person’s cultural rights (para. 15.c), which is understood as including their ways of life and livelihoods. As stressed by the Special Rapporteur in the field of cultural rights, people and peoples must be the primary beneficiaries of sustainable development processes. States, international organizations and other stakeholders must ensure that local communities are consulted and lead programmes on sustainable development that is consistent with their values and priorities (A/77/290, para. 97-99).

We call your attention to previous reports of the Independent Expert on foreign debt, other international financial institutions and human rights. In particular, we recall the report (A/74/178), entitled Effects of foreign debt and other related financial obligations of States on the full enjoyment of all human rights, particularly, economic, social and cultural rights in which the Expert looked into the impact of economic reforms and austerity measures on human rights.

The report on international debt architecture reform and human rights (A/76/167) points to the obligation’s lenders have in not undermining a borrowers’ debt sustainability. Lenders’ responsibilities include the recognition that sovereign borrowing aims to protect the public interest and must therefore not be undermined, referring to the Statement on Public debt, austerity measures and the CESCR (see E/C.12/2016/1). International debt architecture reform should not only have the

capacity to respond to debt crisis in an effective and timely manner but should also serve to prevent future crises.

We would like to highlight the guiding principles on human rights impact assessment of economic reforms (A/HRC/40/57), in particular:

Principle 15: Obligations of public creditors and donors

International financial institutions, bilateral lenders and public donors should ensure that the terms of their transactions and their proposals for reform policies and conditionalities for financial support do not undermine the borrower/recipient State's ability to respect, protect and fulfil its human rights obligations.

States, whether acting alone or within international financial institutions, as well as international financial institutions themselves, should not compel borrowing/receiving States to compromise satisfying their international human rights obligations or contribute to such compromise, either directly or indirectly. As a consequence, international financial institutions, bilateral lenders and other public donors, when granting a loan or giving policy advice in the context of economic reform measures, have an obligation to assess the human rights impact of those measures.

Principle 16: Obligations of private creditors

Private creditors, when negotiating transactions with States or other public entities, including taking decisions in the context of economic reforms, should not undermine the State's ability to respect, protect and fulfil its human rights obligations. Among other things, these creditors should assess the human rights impacts of their own actions as well as those of the activities financed by them, unless they have ascertained that debtor States or international and regional financial institutions have carried out effective assessments, including with regard to gender equality and the environmental impact.

Principle 17: Basis and purposes of a human rights impact assessment

States and creditors should carry out human rights impact assessments of economic reform policies considered and taken in response to acute economic and financial crises that are likely to cause adverse human rights impacts. States should also carry out regular and periodic human rights impact assessments of short-, medium- and long-term economic reform processes in less challenging economic times. A human rights impact assessment of economic reform policies should:

- (a) Prompt investigation of and analyse the extent to which the proposed measures, in combination with other economic measures and policies being or to be implemented, could contribute to fulfilling the State's human rights obligations or potentially undermine them;

- (b) serve to demonstrate how proposed measures, jointly with other economic measures and policies being or to be implemented, could impact the human rights of the whole population, particularly the individuals and groups most disenfranchised or at risk;
- (c) identify any prima facie retrogressive measure as well as alternative economic policy options that could be the least restrictive of human rights and avoid any impermissible retrogression;
- (d) establish a (non-exhaustive) list of preventive and mitigating measures to ensure conformity of the economic reform policies considered with the State's human rights obligations.

Principle 18: Ex ante and ex post assessments

Human rights impact assessments should form a regular part of decision-making processes with respect to economic reform policies or loan conditionality, and should be carried out at regular intervals. They should be carried out both ex ante – to assess the foreseeable impacts of proposed policy changes – and ex post – that is, looking back to assess the actual impacts of policy change and implementation, in order to address such impacts.

These guiding principles must be read in line with the guiding principles on foreign debt and human rights (A/HRC/20/23) which are based on the recognition of States' existing obligations to respect, protect and fulfil all human rights, the obligations of international financial institutions and private corporations to respect human rights, as well as the need for a comprehensive solution to the sovereign debt problems of developing countries that is anchored to a human rights-based framework. The guiding principles promote a comprehensive legal and institutional framework for lender States, international financial institutions and private institutions to ensure transparency and accountability in negotiation and contracting of loans.

We call your attention to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) which contains multiple provisions on the right to substantive gender equality. These include a broad definition of discrimination against women, temporary special measures to accelerate equality of opportunities and treatment, obligations to ensure women's full development, their participation in political and public life, and their enjoyment of specific socioeconomic rights. Article 5(a) of the Convention stipulates that States must adopt specific measures to combat harmful gender stereotypes that often place barriers for the full realization of all the rights included in the Convention.

Women's and girls' inequality and poverty are the result of historical and continuing economic policy choices at the global, regional and national levels. These policy priorities are not gender-neutral, as they have been developed within patriarchal political, legal and socioeconomic systems and institutions that ignore the specific experiences and rights of girls and women while privileging the dominant forms of male and corporate power that perpetuate existing hierarchies. Poverty and inequalities are structural phenomena that negatively affect the sustainable development of people, communities and nations and that impede effective responses

to the existential threat posed by climate change and ecological collapse as well as other global challenges, including public health emergencies, armed conflicts, economic recessions, and migration, food and care crises. Poverty is a gendered phenomenon that is deeply imbricated with other forms of inequality and discrimination. Women's and girls' experiences of poverty intersect with their race, ethnicity, migratory status, age, disability, religion, geographical location, sexual orientation and gender identity to produce distinct forms of discrimination and inequality that vary over time and from place to place. The persistence of discriminatory norms and harmful gender stereotypes affecting women and girls across every area of life, from the family to the community, in businesses and in all branches of public power, contributes to maintaining and deepening these inequalities.

Recognising such realities, the Working Group on discrimination against women and girls recommended to International and regional economic, financial and monetary institutions to develop and mainstream gender-responsive and human rights-based macroeconomic policy prescriptions on structural adjustment and national debt repayments in the light of significant evidence of their inequitable impacts on the human rights of women and girls. Debt sustainability analysis and impact assessments of economic reforms should consider the human rights obligations of both debtor States and their creditors towards the borrowers' populations, including the prohibition of implementing or promoting debt and macroeconomic policies with disproportionate effects on women (A/HRC/53/39).

We recall that the UN Declaration on the right to development (A/RES/41/128) declares that States have the primary responsibility for the creation of national and international conditions favourable to the realization of the right to development; that they have the duty to co-operate with each other in ensuring development and eliminating obstacles to development, and that they should realize their rights and fulfil their duties in such a manner as to promote a new international economic order based on sovereign equality, interdependence, mutual interest and cooperation among all States, as well as to encourage the observance and realization of human rights (article 3.1 and 3.3).

The Declaration further states that sustained action is required to promote more rapid development of developing countries and that effective international cooperation is essential in providing these countries with appropriate means and facilities to foster their comprehensive development (article 4.2). We are concerned at the information that, contrary to these commitments, the concerns of low- and middle-income countries in relation to the establishment of the new international taxation rules have not been taken into consideration in a meaningful manner. We refer to the guidelines and recommendations on the practical implementation of the right to development (A/HRC/42/38), which urge states to guarantee social protection floors and welfare, even in times of economic and financial crisis, in line with the Social Protection Floors Recommendation, 2012 (No. 202), of the International Labour Organization (para. 60). The guidelines also request States to States should prioritize the use of domestic resources for development over the servicing of debt (para. 63) and to enhance accountability in the private sector, by publishing the taxation rates and revenues generated by major economic actors (para. 65); and recommend that Governments should develop a global and a regional taxation architecture with a view to countering the race to the bottom fuelled by tax policies that are increasingly in

favour of capital to the detriment of people's welfare (para. 81).

The UN Guiding Principles Business and Human Rights were unanimously endorsed in 2011 by the Human Rights Council in its resolution (A/HRC/RES/17/31) and have been established as the authoritative global standard for all States and businesses to prevent and address business-related adverse human rights impacts. These Guiding Principles are based on three pillars and they recognize:

- a) "The existing obligations of States to respect, protect and fulfil human rights and fundamental freedoms.
- b) The role of business enterprises as specialised bodies or corporations performing specialised functions, which must comply with all applicable laws and respect human rights.
- c) The need for rights and obligations to be matched by appropriate and effective remedies when they are violated".

To meet their responsibility to respect human rights, companies should have in place policies and procedures appropriate to their size and circumstances:

- a) A political commitment to uphold their responsibility to respect human rights.
- b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their human rights impact.
- c) Processes to redress any adverse human rights impacts they have caused or contributed to (guiding principle 15).

According to guiding principles 16-21, human rights due diligence involves:

- a) Identifying and assessing actual or potential adverse human rights impacts that the enterprise has caused or contributed to through its activities, or that are directly related to the operations, products or services provided by its business relationships.
- b) Integrate the results of impact assessments into relevant business functions and processes and take appropriate action in accordance with their involvement in the impact.
- c) Monitor the effectiveness of the measures and processes adopted to address these adverse human rights impacts in order to know whether they are working.
- d) Communicate how adverse effects are addressed and demonstrate to stakeholders - particularly those affected - that appropriate policies and processes are in place to implement respect for human rights in practice.

In its report A/HRC/53/24/Add.4, the Working Group has reiterated that the corporate responsibility to respect human rights under the guiding principles applies to financial institutions (both public and private) and their clients. Further to this, pillar II of the guiding principles requires financial institutions to make a policy commitment to respect human rights, carry out human rights due diligence and provide for, or cooperate in, remediation where the financial institutions identify adverse impacts that it has caused or to which it has contributed.

The right to an effective remedy for human rights abuses is a central tenet of human rights law and is reflected in pillar III of the guiding principles, which focuses on remedy for victims of business-related human rights harms.

Guiding principle 22 provides that where an enterprise causes or is likely to cause an adverse human rights impact, it should take the necessary steps to end or prevent that impact. “The establishment of operational-level grievance mechanisms for those potentially affected by corporate activities can be an effective means of redress provided they meet certain requirements listed in principle 31”.

In its report A/HRC/53/24/Add.4, the Working Group clarifies that the guiding principles require finance institutions to contribute to provide access to remedy if they have contributed to the harm.