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Managing Director

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Ms. Attiya Waris
Independent Expert on Foreign Debt, Other International Financial Obligations,
and Human Rights
Special Procedures Branch
Office of the United Nations High Commissioner for Human Rights
Palais des Nations
1211 Geneva 10
Switzerland

Dear Ms. Waris:

Thank you for your letter. I very much appreciate you reaching out seeking additional information regarding the IMF's work in the critical areas under your purview as the UN Independent Expert on Foreign Debt, Other International Financial Obligations, and Human Rights. These areas are very close to my heart. In this regard, I would like to share the following information that I hope you will find helpful as you develop your workplan for the next years.

As you know, the IMF is an intergovernmental organization with a limited technical mandate. The IMF's purposes, enumerated in Article I of the IMF's Articles of Agreement, are exhaustive and thus determine the outer limit of the IMF's legal mandate. Notably, the IMF's purposes are all economic in nature, and focus on promoting macroeconomic and financial stability, economic growth, free international economic exchange, and assisting members in addressing their balance of payments problems.

Within this context, IMF staff recognizes the importance of respect and support for human rights. In the discharge of its mandate, the IMF contributes directly to the necessary preconditions for achieving human rights. The IMF's activities indirectly promote human rights—particularly, social and economic rights—by helping its member countries create an economic and institutional environment in which human rights can flourish. For example, the IMF can use its surveillance and financing activities to help its members achieve a stable economic and financial environment, which will, in turn, facilitate efforts to implement human rights. The IMF also explicitly promotes and protects broad-based and inclusive economic growth, including employment generation and poverty reduction, and through policies such as gender budgeting or seeking to protect minimum levels of social spending. By promoting women's labor force participation, women's access to finance, the need to achieve sustainable growth while protecting the environment, lowering of inflation, and accountability in budget execution, the IMF has economic objectives (e.g., higher growth). Still, the direct result of these

policies aims at addressing gender inequality and promoting social stability. Similarly, the IMF has recommended increasing access to education and health to reduce income and wealth inequality. The IMF's work and policy advice on these areas are clear examples where the Fund aims to lay the foundations and support necessary to allow for the exercise and flourishing of human rights in our member countries.

Regarding our role in assisting members in addressing the specific challenges arising from the COVID-19 pandemic, inequality, and climate change, the IMF has been contributing substantively through policy and technical advice, financial assistance, and relevant research and analytical work, as well as through collaboration with other international organizations. For instance, in the context of the COVID-19 pandemic, the IMF collaborates closely with the WHO and other UN and global partners to mobilize resources to help countries address the ongoing health emergency and reduce vaccine and economic inequalities, notably via the Multilateral Leaders Task Force on vaccines. This task force aims to implement the IMF staff's costed proposal to end the COVID-19 pandemic by significantly scaling up the roll-out of vaccines in every country.¹

The IMF has also provided a broad range of support measures to help members exit the crisis and minimize the dangerous divergences across countries, including: the allocation of US\$650 billion in new Special Drawing Rights (SDRs); US\$168 billion in new financing for 89 countries, of which 55 are low-income countries; debt service relief for 31 low-income countries; and policy advice and capacity development support to over 160 countries to help secure a strong and more sustainable recovery.

Regarding inequality, the IMF has contributed through preparing guidance on the policy response to COVID-19 and producing analytical papers that examine the distributional impact of the pandemic and policies to cope with them. Social spending and inequality issues are now addressed regularly in surveillance activities and in IMF-supported programs when judged to be critical from a macroeconomic perspective.² Almost all recent programs under the Poverty Reduction and Growth Trust (PRGT) include conditionalities to protect social spending. In addition, the IMF is working to strengthen its engagement on inclusion issues with member countries. Finally, the IMF collaborates closely with other partners within and beyond the UN system to address inequality³ and gender disparities and is developing a fully-fledged gender strategy which is expected to be presented to the Executive Board in 2022. I appointed a Senior Advisor on Gender—who reports directly to me—to conceive and implement this strategy.

Turning to your specific questions, please note the following:

- The IMF has policies and procedures that guide the staff's interactions with our members' authorities and key stakeholders in each country with respect to all of its three key functions: *surveillance*, *financial assistance to member countries*, and the provision of *technical*

¹ [A proposal to End the COVID-19 Pandemic](#).

² [A Strategy for IMF Engagement on Social Spending](#).

³ *How to Achieve Inclusive Growth*, Valerie Cerra, Barry Eichengreen, Asmaa El-Ganainy, and Martin Schindler, 2022 ([open access](#)).

assistance and capacity development. Specifically, with regard to social protection issues, the IMF engages with member countries on the adequacy and efficiency of social spending and, in the context of IMF-supported programs, on social safeguards. Capacity development on social spending (e.g., pension reform, social safety nets, and education and health spending efficiency and adequacy) and enhancing revenue capacity is also significant. Furthermore, social spending is at the core of IMF work on country policy responses aimed at mitigating adverse short- and medium-term health and economic impacts of the COVID-19 pandemic.⁴

- With respect to climate change and environmental issues, and within the limits of its mandate, the IMF is increasing its engagement in several ways: from country, regional, and global economic surveillance to capacity building and helping small island states with fiscal strategies that build resilience. Article IV consultation reports now aim to cover mitigation policies in the 20 largest emitters; adaptation in especially vulnerable countries; and transition challenges in all economies, especially those heavily dependent on fossil fuel production. Several Financial Sector Assessment Programs (FSAPs) have already started to examine physical and transition risks through climate risk assessments and assessment of supervisory frameworks will start considering climate risk. Finally, in the context of the recent allocation of \$650 billion of Special Drawing Rights (SDRs), the IMF is actively working to operationalize a Resilience and Sustainability Trust (RST), to support members' longer-term structural transformation. Via this new lending RST instrument, the IMF expects to do significantly more to provide policy and financial support for the once-in-a-lifetime structural transformation, including to a new climate economy that is low-carbon and more resilient to climate shocks.
- With respect to your question about a mechanism to address claims from non-state actors, please note that in discharging all its functions, the IMF is committed to being transparent about its work, explaining itself, and listening to the people whom it affects. To this end, the IMF engages on a regular basis with Civil Society Organizations (CSOs), parliamentarians, trade unions, think-tanks, and youth leaders through information sharing, dialogue, and consultation at the global, regional, and national level. Engagement with these external stakeholders is an integral part of IMF country and policy work and contributes to improving the IMF's policy advice and analysis, as well as enhancing support for reforms and deepening country ownership. However, the IMF is not a development agency, but rather makes its resources available only to the governments of its members for the balance of payments support and does not finance individual projects.⁵

⁴ [IMF's Special Series on COVID-19](#).

⁵ As you may know, mechanisms used by some financial institutions to address claims from non-state actors are related to their project financing activities, such as: (a) the *Compliance Advisor Ombudsman* (CAO) of IFC & MIGA aimed to facilitate access to remedy for Project-affected people for active projects only; (b) the *Inspection Panel* of the World Bank which receives requests for inspection presented to it by an affected party in the territory of the borrower (the affected party must demonstrate that its rights or interests have been or are likely to be directly affected by a failure of the Bank to follow its operational policies and procedures with respect to the design, appraisal and/or implementation of a project financed by the Bank); and (c) the *Independent Review Mechanism* (IRM) of the AfDB Group which provides people adversely affected by an operation financed by the Bank with an independent mechanism through which they can seek redress and hold the Bank to account to ensure that it complies with its own policies and procedures related to sustainability.

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Nevertheless, the IMF has multiple mechanisms to ensure transparency and accountability in all its operations. To ensure transparency in its operations and strengthen its effectiveness, the IMF has adopted various policies that provide the public with access to the IMF's views and deliberations, which in turn inform public debate while building support for the IMF's advice.⁶ Furthermore, and to assess the effectiveness and impact of its activities, the IMF also has in place several mechanisms for ex-post monitoring of those activities, including ex-post evaluations of its exceptional access financing, regularly scheduled internal reviews of key policies, and independent evaluations of policies and operations by its Independent Evaluation Office (IEO). The IEO was established in 2001 to enhance the learning culture within the IMF, strengthen the IMF's external credibility, and support the Executive Board's institutional governance and oversight responsibilities. The IEO is designed with a specific focus to improve the institution's ability to draw lessons from its experience and more quickly integrate improvements into its future work. Evaluation reports are published at <https://ieo.imf.org/en/>.

Let me close here. I very much hope you find this information helpful. As you suggest, I would be pleased to coordinate a bilateral meeting in the coming months. In the meantime, please do not hesitate to contact our Special Representative at the United Nations, Mr. Robert Powell (rpowell@imf.org), on any follow-up questions you may have.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mr. Fegomebe". The signature is fluid and cursive, with a large initial "F" and a long, sweeping underline.

⁶ For example, a 2021 review of the IMF's Transparency Policy revealed that the overall publication rates for documents considered by the Executive Board averaged 93 percent between 2017-2019.