



TÉLÉCOPIE • FACSIMILE TRANSMISSION

DATE: 24 November 2021

A/TO: Ms. Kristalina Georgieva
Managing Director
International Monetary Fund (IMF)

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DE/FROM: Beatriz Balbin
Chief
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A handwritten signature in blue ink that reads "Beatriz Balbin".

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COPIES:

OBJET/SUBJECT: **Letter from the Independent Expert on foreign debt, other international financial obligations and human rights**

Please find attached a letter from the Independent Expert on foreign debt, other international financial obligations and human rights.

Mandate of Independent Expert on foreign debt, other international financial obligations and human rights

24 November 2021

Dear Ms. Georgieva,

I have the honour to address you in my capacity as United Nations 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 pursuant to Human Rights Council 43/10 and 46/08.

The international community is facing complex and, in some cases, existential challenges that can only be resolved with effective global governance. This requires all United Nations' specialized agencies and bodies and their representatives to coordinate their activities so that they do not either duplicate efforts or work at cross-purposes to each other. I am, therefore, writing to inform you about those aspects of my work plan that are relevant to the mandate of the International Monetary Fund (IMF) and to seek information on those aspects of the IMF's operations that are relevant to my mandate.

In the exercise of the mandate entrusted to me by the Human Rights Council, I have initiated developing my workplan for the next years. Although this workplan is not yet finalized, my anticipated areas of work would include, among others, human rights issues raised by the evolving international tax regime, the use of digital systems in making financial systems more inclusive and sustainable, and the impacts of climate change on debt sustainability.

In this regard, I have been reading with great interest some IMF publications discussing the implications of such issues as climate change, the COVID-19 pandemic and inequality for macro-economic policy, monetary and financial affairs and debt sustainability. I have also read your statements and speeches on these topics. I take this opportunity to also thank you and staff in the IMF for providing some specific links and references as a response to my call for contributions.

It is a salutary development for the IMF to incorporate these important issues into its operations. The international community cannot adequately deal with the impacts of such complex challenges as the climate crisis, the COVID-19 pandemic and the growing inequality in many countries around the world without the participation of the IMF. The IMF offers the specialized expertise and financing that the international community needs to deal with these challenges without undermining either macroeconomic and financial stability or sustainable and inclusive development in member states.

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund (IMF)

The IMF's engagement with these issues unavoidably raises important human rights considerations. Please permit me to give three examples of how human rights issues arise in the context of IMF operations.

First, how the IMF incorporates climate change into its Article IV consultations with its member states will have implications for the protection and promotion of the economic and social rights of the individuals in these member states. These impacts will be even greater if the IMF incorporates climate change considerations into the conditionalities it attaches to the financial support it provides to member states.

Second, in order for the IMF to fully understand the climate impacts of the IMF's policy advice or the conditionalities it attaches to its financing, it will need to understand how the different sectors in the relevant member state will respond to these conditionalities. This information can only be gained through directly interacting with the communities and institutions that make up these different economic and social sectors. These interactions necessarily implicate public freedoms and rights such as freedom of speech and association.

Third, the IMF, like all actors engaged in addressing these complex challenges, inevitably operates on the basis of imperfect knowledge and in dynamic and complex environments. This suggests that, despite their best efforts, IMF staff as well as staff of other international organisations may sometimes err. While this is completely understandable, it raises concerns about the limited IMF accountability to those who may be adversely affected by its operations. In this regard, it is important to note that any accountability mechanism that the IMF, may establish, should simultaneously respect the immunity of the IMF, the sovereign prerogatives of the member states, and the right of those who may be adversely affected by IMF decisions to be able to hold the institution accountable. One way to balance the tensions between these three imperatives could be to appoint an official, such as an independent ombudsperson, who only has the authority to receive and investigate complaints from external stakeholders who claim they have been harmed by the failure of IMF staff and management to comply with the IMF's own operational policies and procedures. This official would have no authority to investigate the decisions or actions of the member state.

We share an interest in promoting effective global governance in regard to such difficult challenges as climate change and inequality. Consequently, I am hereby seeking your assistance in obtaining more information about how the IMF plans to address the human rights implications of its growing engagement with these complex environmental and social issues. In particular, I would appreciate learning more about the IMF's approach to the following topics:

- 1) The need for international organizations to have publicly available policies and procedures that can guide staff when dealing with complex environmental and social issues; and
- 2) The need for international organizations that have the capacity to adversely and directly affect non-state actors in their member states to have an independent accountability mechanism, like an independent ombudsman, that can provide non-state actors who claim that they have been harmed or threaten with harm by

the organization's failure to comply with its own policies and procedures with a means to hold the organization accountable for this non-compliance.

This information will be most helpful in my efforts to fulfil my mandate and ensure that we are using our respective resources most effectively and are not working at cross-purposes to each other. In this regard, I would kindly ask you if we could initiate a dialogue and plan a bilateral meeting (virtual) in February 2022.

In closing, allow me to mention that I intend to make this letter public as well as any response I might receive from you.

Your sincerely,

A handwritten signature in black ink, appearing to read "Attiya Waris", with a horizontal line underneath.

Attiya Waris

Independent Expert on foreign debt, other international financial obligations and human rights