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**Item 3**

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**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 Human Rights Council*,

*Guided* by the Charter of the United Nations, the Universal Declaration of Human Rights, the Vienna Declaration and Programme of Action and other relevant international human rights instruments,

*Reaffirming* all resolutions and decisions adopted by the Commission on Human Rights and the Human Rights Council on the effects of structural adjustment and economic reform policies and foreign debt on the full enjoyment of all human rights, particularly economic, social and cultural rights, the most recent being Council resolution 43/10 of 19 June 2020,

*Stressing* that one of the purposes of the United Nations is to achieve international cooperation in solving international problems of an economic, social, cultural or humanitarian character,

*Emphasizing* that the World Conference on Human Rights agreed to call upon the international community to make all efforts to help to alleviate the external debt burden of developing countries in order to supplement the efforts of the Governments of such countries to attain the full realization of the economic, social and cultural rights of their people,

*Stressing* the primacy of the means of implementation for the 2030 Agenda for Sustainable Development, and in this regard underlining the fundamental principles of international cooperation, which are pivotal for the practical achievement of the Sustainable Development Goals,

*Stressing also* the determination expressed in the 2030 Agenda to assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and to address the external debt of highly indebted poor countries to reduce debt distress,

*Recognizing* the commitments made in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, and noting that, despite international debt relief efforts, many countries remain vulnerable to debt crisis and some are in the midst of a deepened crisis due to the coronavirus disease (COVID-19) pandemic, including a number of least developed countries and small island developing States and some developed countries,

*Mindful* of the role, mandate and activities of other United Nations agencies, funds and programmes in dealing with the issues of foreign debt and international financial obligations,

***Reaffirming*** that the increasing debt burden faced by the most indebted developing countries, in particular the least developed countries, is unsustainable and constitutes one of the principal obstacles to achieving progress in people-centred sustainable development and poverty eradication, and that, for many developing and some developed countries, excessive debt servicing has severely constrained their capacity to promote social development and to provide basic services to create the conditions for the realization of economic, social and cultural rights,

*Expressing its concern* that, despite repeated rescheduling of debt, developing countries continue to pay out more each year than the actual amount they receive in official development assistance,

*Recognizing* that States have the obligation to respect and protect human rights, even in times of economic and financial crisis or a global pandemic, and to ensure that their policies and measures do not result in impermissible retrogression in the realization of human rights, as recognized in relevant international human rights instruments, and acknowledging that the guiding principles on human rights impact assessments of economic reforms[[1]](#footnote-2) constitute an important reference for Member States in that regard,

*Recognizing also* the sovereign right of any State to restructure its sovereign debt, which should not be frustrated or impeded by any measure emanating from another State,

*Recognizing further* that illicit financial flows, including tax evasion by high net-worth individuals, commercial tax evasion through trade misinvoicing and tax avoidance by transnational corporations, contribute to the build-up of unsustainable debt, as Governments lacking domestic revenue may resort to external borrowing,

*Emphasizing* that inequality continues to increase worldwide, and that it often contributes to social exclusion and the marginalization of certain groups and individuals,

*Expressing* *deep concern* over estimates that the COVID-19 pandemic has ended global progress in poverty reduction, pushing 150 million people into extreme poverty in 2021 **with possible additional increases of between 23 million and 35 million** *(Note: updated based on data contained in the report of the Independent Expert HRC/49/47),*

*Recognizing* that, together with the health crisis associated with the COVID-19 pandemic, and other systemic crises, the global economy is being confronted with a rapidly unfolding, synchronized and severe economic recession affecting both developed and developing economies and all continents at the same time,

*Recognizing also* the need for reform of the global financial architecture, including of credit rating agencies, that credit rating agencies should play a role in debt crisis prevention, and emphasizing that a more effective international financial architecture is required now more than ever in order to respond to the socioeconomic fallout resulting from the COVID-19 pandemic,

*Affirming* that debt burden further complicates the numerous problems facing developing countries, contributes to extreme poverty and is an obstacle to sustainable human development, and is thus a serious impediment to the realization of all human rights,

1. ***Looks forward* to the contribution of the new Independent Expert to the field under her mandate, and recognizes the work of the former Independent Expert;**

2*. Takes note with appreciation* of the initial report of the Independent Expert **the****preliminary workplan for the mandate and the thematic areas identified therein, and of the report of her predecessor on the need for reform of the international debt architecture[[2]](#footnote-3);**

**2bis. Invites the Independent Expert to give, in accordance with her mandate, appropriate consideration to the impact of all international financial obligations in groups living below the poverty line, including women, youth, children, persons with disabilities, indigenous peoples, migrants and  persons belonging to national or ethnic, religious and linguistic minorities suffering from socioeconomic inequalities and discrimination;**

3*. Recognizes* that developing countries require massive liquidity and financing support to deal with the immediate fallout resulting from the COVID-19 pandemic and its repercussions for the economy and for all human rights owing to the challenges faced in the areas of health care, education, employment and social protection systems, as well as to the heavy debt burden and deteriorating economic buffer;

4. *Recalls* that every State has the primary responsibility to promote the economic, social and cultural development of its people, and to that end has the right and responsibility to choose its means and goals of development and should not be subject to external specific prescriptions for economic policy;

5. *Recognizes* that debt relief can play a key role in liberating resources that should be directed towards activities consistent with attaining sustainable growth and development, including poverty reduction and the achievement of development goals, including those set out in the 2030 Agenda for Sustainable Development, and therefore that debt relief measures, where appropriate, should be pursued vigorously and expeditiously, ensuring that they do not replace alternative sources of financing and that they are accompanied by an increase in official development assistance;

6. *Reiterates* the call on industrialized countries to implement the enhanced programme of debt relief without further delay and to agree to cancel all the official bilateral debt of those countries covered by the programme in return for their making demonstrable commitments to poverty reduction;

7. *Stresses* that the economic programmes arising from foreign debt relief and cancellation must not reproduce past structural adjustment policies that have not worked, such as dogmatic demands for privatization and reduced public services;

8. *Urges* States, international financial institutions and the private sector to take urgent measures to alleviate the debt problem of those developing countries particularly affected by HIV/AIDS so that more financial resources may be released and used for health care, research and treatment of the population in the countries affected;

9. *Reiterates* its view that, in order to find a durable solution to the debt problem and for the consideration of any new debt resolution mechanism, there is a need for a broad political dialogue between creditor and debtor countries and multilateral financial institutions, within the United Nations system, based on the principle of shared interests and responsibilities;

10. *Also reiterates* its request to the United Nations High Commissioner for Human Rights to pay more attention to the problem of the debt burden of developing countries, in particular of least developed countries, and especially the social impact of the measures arising from foreign debt;

11. *Encourages* the Independent Expert to cooperate, **in accordance with her mandate,** with the Committee on Economic, Social and Cultural Rights, the special procedures of the Human Rights Council and its Advisory Committee on issues relating to economic, social and cultural rights and the right to development in her work;

12. *Requests* the Independent Expert to continue to report regularly to the Human Rights Council and the General Assembly in accordance with their programmes of work;

13. *Requests* the Secretary-General to provide the Independent Expert with all necessary assistance, in particular all the staff and resources required to carry out her functions;

14. *Urges* Governments, international organizations, international financial institutions, non-governmental organizations and the private sector to cooperate fully with the Independent Expert in the discharge of the mandate;

15. *Decides* to continue its consideration of this matter under the same agenda item in accordance with its programme of work.

1. See A/HRC/40/57. [↑](#footnote-ref-2)
2. **A/HRC/49/47; A/76/147**. [↑](#footnote-ref-3)