

CONTRIBUTION- UN WOMEN-
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(RESPONSE TO A FEW QUESTIONS)

- **How could assessments of a debtor's capacity to repay its creditors incorporate the safeguarding of maximum available resources for human rights?**

UN Women recognizes that a country's debt burden could have an impact on its fiscal space, and thus the amount of resources available to promote development, and gender equality in particular. In this context, it is important that member states comply with their international human rights obligations, including during the COVID-19 crisis, when they make economic, social, and environmental choices. States must always strive to devote their maximum available resource to the progressive realization of economic, social and cultural rights to accelerate progress toward the achievement of the SDGs, including all the goals under SDG 5.

- **If there are legal, policy or regulatory frameworks that can assert the primacy of access to essential services over the repayment of foreign debts, please explain and provide relevant documentation.**

There are several human rights frameworks to compel member states to ensure that foreign debt repayment obligations do not jeopardize vulnerable populations' access to essential services. For instance, Human Rights Council resolution [40/8](#), adopted on 21 March 2019, laid the guiding principles encouraging Governments, relevant United Nations bodies, specialized agencies, funds and programmes and other intergovernmental organizations to consider in the formulation and implementation of their economic reform policies and measures. The 2030 Agenda for Sustainable Development, which recognizes that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge, was a historic turning point to ensure that no one is left behind in the global fight to eradicate poverty. The Agenda recognizes also that the debt burden on low- and middle-income countries are one of the greatest threat to the achievement of all goals. This was done through Target 17.4 "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 address the external debt of highly indebted poor countries to reduce debt distress".

- **If available, what is your Government's position/ Institution's position with regard to the aspects of national and international debt architecture that need to be reformed in order to make it more robust?**

UN Women argues that the international debt architecture must be reformed to ensure that multilateral organizations and lenders (governments or private institutions) always adhere to the Guiding Principles on human rights impact assessment of economic reforms. This would ensure that excessive debt servicing does not severely limited vulnerable countries' ability to promote social development and continue to provide basic services to the poor and vulnerable segment of the population, including women, who

face multiple forms of discrimination. UN Women continues to call upon governments to use the maximum available resources to ensure that women and girls, who represent half of humanity, enjoy their full human rights and opportunities, including equal access to economic resources, equal access to quality education, equal opportunities with men for employment, and equal pay for work of equal value.

- **With regard to the G-20 Debt Service Suspension Initiative (DSSI), adopted in April 2020 and valid until June 2021: What have been the benefits and what have been the drawbacks of this initiative? If available, what is your Government’s position/ Institution’s position regarding how the DSSI could be improved, and why would this initiative need extension and improvement?**

UN Women recognizes that mounting debt and lack of fiscal space in low-income countries continue to severely constrain their ability to respond adequately to the crisis. Like many UN Agencies, UN Women continues to endorse calls by the UN Secretary General, who continues to raise the alarm and urge multilateral organizations and donors to further extend and expand debt service suspension and expand the scope of these initiatives to all developing and middle-income countries in need. During the most recent World Bank/IMF Spring Meetings, a recommendation to the G20 on a potential further extension of the debt service suspension initiative (DSSI) until the end of 2021 was approved. This is encouraging news, but more needs to be done given that by the end of 2020, 54 per cent of IDA countries were classified as either in or at high risk of debt distress¹. Long-term investments in social protection systems that reach all women and girls are key to economic recovery and future resilience, and more needs to be done to ensure that the needs of the vulnerable segment of the population are prioritized over debt repayments.

- **If available, what is your Government’s position/ Institution’s position with regard to the following issues:**
 - a. **Debt cancellation**

Even before the COVID-19 pandemic, debt in many developing countries was already mounting, and the pandemic has worsened the situation. While debt suspension is welcome and needed, it is by no means sufficient. On 13 April 2020, the International Monetary Fund announced the cancellation of the debt repayments of the 25 poorest developing economies under the catastrophe containment and relief trust². This is welcome news for the beneficiary countries, but more needs to be done to extend it to all 75 LDCs, and expand debt cancellation initiatives from other creditors, including regional development banks, bilateral lending countries, and private lenders.

- b. How to ascertain how much debt relief should take place and to which States

¹ World Bank/IMF Spring Meetings, 5-11 April 2021. “World Bank Group and International Monetary Fund Support for Debt Relief Under the Common Framework and Beyond”. Can be accessed [here](#).

² UNCTAD, 2020. “Impact of the COVID-19 pandemic on trade and development: transitioning to a new normal”. Can be accessed [here](#).

- c. Multilateral framework for debt restructuring
 - d. Market-based improvements to international debt architecture
 - e. Independent international body on debt crisis resolution and prevention
 - f. Reform of credit rating agencies
- According to your Government's position/ institution's position, how can changes on the global level of international debt architecture be reflected and consistent with international human rights obligations?