

Statement of Juan Pablo Bohoslavsky, Independent Expert on foreign debt and human rights

Round Table 3:

Global Partnership and the Three Dimensions of Sustainable Development

14 July 2015, 15:00-18:00, Conference Room 2

Dear Co-Chairs, panellists and participants,

I have underlined earlier this year in a submission to the negotiation process of the outcome document that human rights should be at the core of development financing.

Let me focus on global partnership from the perspective of foreign debt and human rights. Unsustainable debt burdens and austerity policies have resulted in retrogressive measures affecting the enjoyment of economic, social, and cultural rights in many low-income, middle-income and highly developed countries, showing that unsustainable debt is a global problem.

Having said that, it is concerning to me that the chapter on debt in the draft outcome document omits any reference to human rights, most importantly to the UN Guiding Principles on Foreign Debt and Human Rights, that have been endorsed by the Human Rights Council in 2012. We cannot continue to discuss debt and global partnership in the UN context ignoring respect for human rights.

When we discuss austerity measures as the prominent medicine to provide to a debtor in distress, the question is not only about finding ways for this country to regain debt sustainability, it is also about ensuring respect for the fulfilment of essential minimum levels of economic, social, and cultural rights.

The Greek tragedy underlines the need for timely, orderly, effective and fair debt restructurings. But since Monterrey, time has passed and progress has been limited. There is a legal void at the international level to deal adequately with situations in which a State is unable to pay back its debt. The draft outcome document remains weak on this issue, reproducing in my view the inadequate response we have seen so far to the problem of sovereign debt restructuring and the lack of consensus around this issue, which is as well reflected in decisions of major lenders not to participate in recent negotiations in the context of the General Assembly to establish an international legal framework for debt restructuring.

I welcome very much the recent debt relief and debt cancellation for countries hit by natural disasters or health epidemics. However I would have wished a stronger commitment by States to work towards a fair and harmonized approach to debt relief in such contexts. Financial policies should however not be limited to debt reliefs after a disaster has already occurred. It is even more important to make sure that States enjoy sufficient fiscal space to become resilient to natural disasters, epidemics and economic shocks in the first place. I think this is as well a lesson that can be learned from Ebola affected countries in West Africa.

Thank you.