

**46th session of the Human Rights Council
Action Canada for Population and Development
Item 3
Interactive dialogue with the Independent Expert on Foreign Debt**

Action Canada makes this statement on behalf of the Sexual Rights Initiative.

We welcome the report of the IE and her analysis of credit rating agencies and the impact of the monopoly of the big three and the lack of transparency and accountability built into these systems and institutions.

We also welcome the Special Rapporteur's focus on sovereign debt and its impact on people. Credit rating agencies are complicit in impoverishing nations and people. Many global south countries were in a critical state before COVID 19. At the start of 2020, of the 69 countries analysed for debt risk by the IMF, 34 were in debt distress or at high risk of being so.¹ Yet, by June 2020, the IMF had granted loans to 71 countries.² These loans often bring with them conditions like austerity measures resulting in a reduction in social investment and equitable distribution, making people's lives even more precarious and binding nations to a continuous cycle of debt.

Indeed, the systematic assessment and incorporation of environmental, social and governance criteria in sovereign debt ratings could offer an entry point leading towards the inclusion of a human-rights lens in the work of credit rating agencies, and of public and private investors.

Capitalism and neo-imperialism have gotten us into this economic free-fall and resulted in life- and planet-threatening destruction and exploitation. The only way out is to adopt a radical and transformative approach to the economic world order that is rooted in economic justice and human rights. It requires states to embark on meaningful accountability for themselves, the private sector, financial institutions and debt cancellation. And it means investing in economic, social and cultural rights including, health and education through progressive taxation policies.

¹ https://jubileedebt.org.uk/wp-content/uploads/2020/07/IMF-bailouts-briefing_07.20.pdf

² https://jubileedebt.org.uk/wp-content/uploads/2020/07/IMF-bailouts-briefing_07.20.pdf