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July 27, 2017

Juan Pablo Bohoslavsky
Independent Expert
Office of the High Commissioner for Human Rights
Geneva - Switzerland

Dear Mr. Bohoslavsky:

Thank you for your letter to Mme. Lagarde of July 7, 2017. She has requested that we furnish you with the relevant information concerning social and other impacts of fiscal consolidation policies, including evaluations and lessons learnt from the experience of the International Monetary Fund.

The attachments to this letter are a briefing note on the IMF and Human Rights and a list of Fund publications and related hyperlinks that may be relevant to your work.

Should you require further information, or have specific questions, I would be most happy to arrange the response or to facilitate a meeting in Washington/New York/by video conference.

Sincerely yours,

A handwritten signature in black ink, appearing to read "C. Lane".

Christopher Lane
Special Representative of the IMF to the United Nations
Strategy, Policy, and Review Department

Attachments (2)

ATTACHMENT I. THE IMF AND HUMAN RIGHTS

Key messages

The IMF's activities indirectly promote human rights (in particular, social and economic rights) by helping create an economic and institutional environment in which human rights can flourish. Thus, our policy advice and financial assistance support economic growth and improvements in living standards in member countries, and foster critical institutional reforms that strengthen good economic governance and respect for the rule of law. Key examples in this regard include the IMF's work on gender equality and the MD's participation in the UN High Level Panel on Women's Economic Empowerment, work promoting economic policy transparency, and improving governance.

Nevertheless, the mandate of the IMF is defined by the Articles of Agreement and its powers and responsibilities are limited to those entrusted to it by the membership. *This mandate focuses on macroeconomic and financial stability and does not, unlike the constituent documents of some other international organizations, encompass the promotion of human rights per se.* As an institution that is concerned with economic issues, the IMF is precluded from using its powers to support particular political systems or, directly engage in the promotion of human rights.

Background

The Office of the High Commissioner for Human Rights (OHCHR) has previously sought the Fund's collaboration in discussions on the "Right to Development" and other matters considered to be affected by economic policy. Fund staff has participated in discussions with OHCHR staff and intergovernmental representatives on these limited issues. More recently the issue of debt and human rights has come up in the UN General Assembly (Third Committee) and a UN Independent Expert has been commissioned to report on international financial institutions and human rights in 2017. Fund staff has also collaborated with UN agencies in their pursuit of some of their mandated objectives, many of which are formulated through a "rights-based" approach. Examples of this are the collaboration with UNICEF, whose work is guided by the "Rights of the Child," and with the ILO (which seeks to promote labor rights, core labor standards, collective bargaining).

The IMF has not accepted the Declaration on Human Rights as the motivating principle of our operations. UN agencies have generally accepted our arguments as establishing the limits of our engagement and obligations on promoting human rights.

ATTACHMENT II. REPORTS AND MATERIALS ON SOCIAL AND HUMAN RIGHTS IMPACTS OF FISCAL CONSOLIDATION POLICIES

1. Social and human rights impact of economic reform policies

- Clements, de Mooij, Gupta and Keen, 2015, Inequality and Fiscal Policy, IMF, Washington DC <http://www.elibrary.imf.org/view/IMF071/22448-9781513567754/22448-9781513567754/22448-9781513567754.xml?rskey=a9GJ6m&result=7&highlight=true>
- IMF, 2014, Fiscal Policy and Income Inequality, IMF Policy Paper <http://www.imf.org/en/Publications/Policy-Papers/Issues/2016/12/31/Fiscal-Policy-and-Income-Inequality-PP4849>
- Clements, Eich and Sanjeev Gupta, 2014, Equitable and Sustainable Pensions: Challenges and Experience, IMF, Washington DC <https://www.imf.org/en/Publications/Books/Issues/2016/12/31/Equitable-and-Sustainable-Pensions-Challenges-and-Experience-40877>
- Clements, Coady, Fabrizio, Gupta, Alleyne and Sdravovich, 2013, Energy Subsidy Reform. Lessons and Implications, IMF, Washington DC <http://www.elibrary.imf.org/view/IMF071/20361-9781475558111/20361-9781475558111/20361-9781475558111.xml>
- Clements, Coady and Gupta, 2012, The Economics of Public Health Care Reform in Advanced and Emerging Economies, IMF, Washington DC <http://www.elibrary.imf.org/view/IMF071/12275-9781616352448/12275-9781616352448/12275-9781616352448.xml?rskey=BHxTJF&result=2&highlight=true>
- Clements, Gupta and Nozaki, 2013, What Happens to Social Spending in IMF-Supported Programmes, Applied Economics, 45:28, 4022-4033 <http://dx.doi.org/10.1080/00036846.2012.744136>
- Staff Discussion Note on macrostructural policies and income inequality in low-income developing countries, 2016. <http://www.imf.org/~media/Files/Publications/SDN/2017/sdn1701.ashx>
- Note to G20 on inclusive growth <http://www.imf.org/external/np/g20/pdf/2017/062617.pdf>

2. Assessment tools

- Template (and manual) for incidence analysis of fuel subsidy reform <http://www.imf.org/external/np/fad/subsidies/index.htm>
- IMF and Reforming Energy Subsidies - Website that offers background documentation (such as links to IMF working papers, books and technical assistance reports), analysis, data and tools on the impact of energy subsidy reforms: <http://www.imf.org/external/np/fad/subsidies/>

3. Examples of human rights or social impact assessments

- Kosovo: Technical Assistance Report-Enhancing Social Protection Cash Benefits, 2016.
<http://www.imf.org/en/publications/cr/issues/2016/12/31/kosovo-technical-assistance-report-enhancing-social-protection-cash-benefits-43899>
- Pension Reforms in Mauritius: Fair and Fast-Balancing Social Protection and Fiscal Sustainability, 2016.
<http://www.imf.org/en/publications/wp/issues/2016/12/31/pension-reforms-in-mauritius-fair-and-fast-balancing-social-protection-and-fiscal-43012>

4. Lessons learnt

- Social safeguards and program design in PRGT and PSI-supported programs, 2017.
<https://www.imf.org/en/Publications/Policy-Papers/Issues/2017/06/01/pp042117social-safeguards-and-program-design-in-prgt-and-psi>
- The IMF and Social Protection, Independent Evaluation Office of the IMF, 2017
<http://www.ieo-imf.org/ieo/pages/CompletedEvaluation279.aspx>
Statement by the Managing Director on the Independent Evaluation Office Report on the IMF and Social Protection, 2017
<http://www.ieo-imf.org/ieo/files/completedevaluations/SP%20-%20Statement%20by%20the%20Managing%20Director%20-%20Web.pdf>