

EXPLAINER

HOLDING INTERNATIONAL FINANCIAL INSTITUTIONS TO ACCOUNT USING HUMAN RIGHTS



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Executive Summary

This explainer examines the human rights responsibilities of international financial institutions (IFIs), particularly the International Monetary Fund (IMF) and the World Bank. It summarizes how their lending practices, policy advice, and conditionalities can affect the enjoyment of human rights worldwide. Fundamentally, the brief argues that IFIs are not neutral technical actors, but institutions that shape national economic and social policies in ways that directly impact rights to health, education, housing, work, food, and an adequate standard of living.

The document situates IFIs within the framework of international human rights law, and discusses States' human rights obligations when acting as members of IFIs, including their extraterritorial obligations to avoid undermining other countries' capacity to fulfill human rights. It surveys some key human rights responsibilities of IFIs themselves, as subjects of international law and in some cases specialized UN agencies.

Although IFIs have adopted internal safeguards (such as the World Bank's Environmental and Social Framework, the Inspection Panel, IMF social spending strategies, and gender mainstreaming initiatives) these mechanisms remain limited to fully align with human rights' standards. Furthermore, the core policy orthodoxies that IFIs promote (including fiscal consolidation, wage bill caps, subsidy removals, and privatization) continue to undermine economic and social rights and impact women and girls disproportionately.

The explainer briefly discusses country examples from across regions to demonstrate the human cost of IFI-backed austerity and debt conditionalities. These cases show reduced public spending on health and education, among other IFIs-promoted measures, weakened social protection, and heightened inequality. The impacts are consistently gendered: women, girls and gender-diverse people face increased unpaid care burdens, job losses in feminized sectors, reduced access to healthcare and education, and greater exposure to poverty and violence.

The report concludes that meaningful accountability requires reorienting IFI policies toward a rights-based economy that prioritizes human dignity, equality, and redistribution over creditor interests and narrow macroeconomic targets.

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1. Introduction

International financial institutions (IFIs), such as the International Monetary Fund (IMF) and the World Bank, hold immense power in shaping the economic and social trajectories of States. Through loans, surveillance, technical advice, and conditional programs, they influence policies that determine whether States can fund healthcare, education, housing, or social protection.¹ Far from being “neutral” or “technical” actors, IFIs set priorities that often carry profound implications for human rights. For instance, a 2020 ActionAid report documents how the IMF’s Comprehensive Surveillance Review sidelines gender equality.²

Austerity programs, unsustainable debt, privatization measures, subsidy removals, and regressive taxation (actions often resulting from IFIs’ work) are not merely technical issues. They are choices with direct consequences for the right to the highest attainable standard of health, the right to education, the right to work, and the right to an adequate standard of living. Crucially, the burden of these choices often falls most heavily on marginalized groups, including women in all their diversity, and more fundamentally on those facing multiple and intersecting forms of discrimination.

Such results are not accidental. **Gender, racial, and other forms of discrimination are built into the foundations of the economic policies that are most often promoted by IFIs.**³ For example, the discriminatory gender norms and stereotypes that have led to women and gender diverse people taking on the highest burdens of unpaid care work allow this labour to provide a “safety net” for cuts to the health and education sector. The extra work of caring falls disproportionately on women and is seen (either explicitly or implicitly) as a “natural” part of their work in the household and community. These burdens are likewise not distributed equally among different groups of women. Heavier burdens are placed along intersecting lines of race, class and migrant status, and (particularly when considering relations between countries and the global labour market) within a continuum of (neo)colonial and imperial structures. In other words, gender, racial, class, and other forms of discrimination provide the “grease” for the wheels of an overall inequitable system, reducing friction and making permissible the suffering of some over others.

1 Human Rights Council. (2015). *Report of the Special Rapporteur on extreme poverty and human rights*. Philip Alston (A/HRC/29/31, ¶ 44). United Nations. <https://digitallibrary.un.org/record/798707?v=pdf>

2 Saalbrink, R., & Amerasinghe, N. (2021). *How the IMF’s Comprehensive Surveillance Review sidelines gender equality*. ActionAid. <https://actionaid.org/opinions/2021/how-imfs-comprehensive-surveillance-review-sidelines-gender-equality>. (archived at: <https://archive.is/ZXzPh>); See also Buenaventura, M., et al. (2017). *The IMF and Gender Equality: A Compendium of Feminist Critiques* (pp. 12–13). Bretton Woods Project. <https://www.brettonwoodsproject.org/wp-content/uploads/2017/10/The-IMF-and-Gender-Equality-A-Compendium-of-Feminist-Macroeconomic-Critiques.pdf> (archived at: <https://archive.ph/LDhgP>)

3 Eurodad. (2021). COVID-19 crisis: *Key ingredients for a feminist recovery*. https://www.eurodad.org/key_ingredients_for_a_feminist_recovery_2. (archived at: <https://archive.ph/HnkOL>)

Human rights create legal obligations that governments and other powerful actors (eg, IFIs) must comply with. Recognizing that public goods such as health, water and education are rights means recognizing that they are so essential for human dignity and wellbeing that access to them must be guaranteed to all; they cannot be left to the whims of the market or to the total discretion of decision-makers. Ensuring that all people can enjoy their human rights on an equal footing demands action to redistribute resources, remedy inequalities and rebalance power. Rights-Based Economies (RBE) directly challenge the logic of neoliberalism, giving primacy to people's human rights, as internationally recognised, over the spurious 'rights' of investors and corporations.

This explainer unpacks the obligations of IFIs under international human rights law, reviews how they have partially integrated these obligations into their frameworks, presents case studies of rights-violations IFI's work, and analyzes their gendered impacts from across the globe. It concludes with a "Want to Learn More?" section that provides resources for those aiming to deepen their knowledge on what it means to reorient the work of IFIs towards the fulfillment of human rights.



2. Human rights responsibilities of IFIs under international law

Though States remain the principal duty-bearers to ensure human rights under international law, increasing attention has been given to human rights responsibilities of non-state actors such as IFIs.⁴ Through their financial might and influence, multinational corporations and IFIs have significant sway over States' policies and thus, their human rights record. As a result of these efforts, international law has been interpreted (very often through "soft law" instruments) to identify some core responsibilities of IFIs in connection with human rights, as well as related good practices and recommendations.

Under international law there are duties to protect (from third party action), respect (to refrain from interfering with), and fulfill (to take positive action for) human rights. In this context, **there are two pillars of accountability for human rights relevant to IFIs: 1) the duties of States when acting as members of IFIs; 2) the responsibilities of IFIs as such.**

When acting as members of international organizations, States cannot ignore their human rights obligations and must abide by them, as they cannot utilize IFIs as shields to evade their duties. Member States are accountable for ensuring that IFIs under their control do not become vehicles for rights violations⁵. **Importantly, States have extraterritorial obligations and should therefore abstain from any conduct that undermines another State's capacity to fulfill their own obligations; and must undertake assessments of the extraterritorial effects of their laws, policies and practices.**

IFIs themselves, as subjects of international law, are also bound by general rules of international law. Yet, the human rights responsibilities of IFIs have often been contested and their legal accountability is often unclear. They are not signatories to human rights treaties, not all member States of IFIs are parties to these treaties, and IFIs cannot interpret these treaties themselves.⁶ Furthermore, institutions such as the IMF have interpreted that they are not obligated by human rights norms as these are not part of their constitutive agreements. However, human rights mechanisms within the United Nations have interpreted the contrary.⁷ Arguably, specialized agencies of

4 Committee on Economic, Social and Cultural Rights. (2016, July 22). *Public debt, austerity measures and the International Covenant on Economic, Social and Cultural Rights: Statement by the Committee on Economic, Social and Cultural Rights* (E/C.12/2016/1, ¶¶ 7-8). United Nations. <https://digitallibrary.un.org/record/845917>

5 Maastricht Principles on Extraterritorial Obligations of States in the Area of Economic, Social and Cultural Rights. (2013). *ETOs for Human Rights Beyond Borders* (p. 3). https://www.fidh.org/IMG/pdf/maastricht-eto-principles-uk_web.pdf. (archived at: <https://archive.ph/UppGv>)

6 Tan, C., & Quintero Godinez, R. (2024). Exploring the legal and policy landscape of responsibility for sovereign debt. In M. Leite & M. Kohonen (Eds.), *Righting the economy: Towards a people's recovery from economic and environmental crisis* (pp. 85-100). Agenda Publishing.

7 Pillay, A. G. (2012). *Letter to the High Commissioner on Human Rights* (CESCR/48th/SP/MAB/SW). <https://www.cesr.org/sites/default/files/LetterCESCRtoSP16.05.12.pdf> (archived at: <https://archive.ph/gogMv>)

the United Nations, such as the IMF and World Bank, are bound by the principles of the Charter of the United Nations, which include the realization of human rights and fundamental freedoms as a key pillar of the organization.⁸ Additionally, IFIs are beholden to comply with human rights listed in the Universal Declaration of Human Rights, which have been recognized as part of international customary law and general principles of law.⁹

As a result, IFIs have an obligation to **refrain from** formulating, adopting, funding, and implementing programs which contravene or result in the retrogression of the enjoyment of human rights.¹⁰ They should **not exert undue influence** on sovereign decisions. More specifically, and especially when dealing with nations that are highly dependent on external financing,¹¹ IFIs should:

- **Conduct due diligence:** IFIs are expected to continually provide due diligence, identifying, assessing, preventing or mitigating adverse human rights impacts arising from their own operations. This due diligence helps establish processes that consider the environmental and social impact of the programs they fund and the reforms they promote.¹²
- **Carry out human rights and gender impact assessments:** IFIs must assess the risks of their projects, understanding the possible impact on human rights of all their activities.¹³ The UN Human Rights Council (HRC) has explicitly pointed out that these are essential in proposed programs developed for debt management and financial assistance activities.¹⁴ IFIs should specifically be prepared to understand the impact their projects will have on commonly marginalized communities.¹⁵

8 United Nations Human Rights Office of the High Commissioner. (2011). *Guiding principles on business and human rights: Implementing the United Nations "Protect, Respect and Remedy" framework* (¶ 15). https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf. (archived at: <https://archive.ph/Cv5DS>)

9¹ FIAN International for the ETO Consortium. (2014). *Extraterritorial obligations in the context of international financial institutions* (p. 8). https://www.fian.org/files/files/ETO_and_IFIs.pdf (archived at: <https://archive.ph/yaHmD>)

10 United Nations General Assembly. (2019). *Effects of foreign debt and other related financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights: Note by the Secretary-General* (A/74/178, ¶ 87). <https://digitallibrary.un.org/record/3823122>

11 Human Rights Council. (2018). *Guiding principles on human rights impact assessments of economic reforms: Report of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of human rights, particularly economic, social and cultural rights* (A/HRC/40/57, ¶¶ 13-14). <https://digitallibrary.un.org/record/3794202>

12 Human Rights Council. (2020). *The interplay between the economic policies and safeguards of international financial institutions and good governance at the local level: Report of the Independent Expert on the promotion of a democratic and equitable international order* (A/HRC/45/28, ¶ 73). <https://digitallibrary.un.org/record/3883491>

13 Human Rights Council, supra note 11, at ¶ 17.

14 Human Rights Council, supra note 12, at ¶ 73(m).

15 Human Rights Council, supra note 11, at ¶ 19.1.

- **Engage with affected stakeholders:** IFIs have the responsibility to engage meaningfully with potentially affected persons and include their perspectives in assessing risk and implementing mitigations.¹⁶
- **Provide mitigation and remediation when harm occurs:** IFIs are supposed to track whether mitigation measures are effective, and to cooperate in remediation if adverse impacts occur.¹⁷
- **Avoid recommending austerity measures, and if doing so, ensuring they meet human rights standards.** IFIs often recommend or require sovereign States to implement so-called “austerity measures”. Human rights mechanisms have established clear guidelines for these retrogressive measures to be rights-compliant, including them being absolutely unavoidable, necessary and proportionate, temporary, non-discriminatory, and not affecting the minimum core content of social, economic and cultural rights.

More broadly, the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) framework of non-discrimination and substantive equality provides essential guidance for both IFIs and Member States on designing and implementing policy measures and technical advice that advances gender equality. These standards require an assessment of the distributive outcomes and results of IFI work; that it does not result in either direct or indirect discrimination; and that it contributes to redressing the historical and structural disadvantages faced by women, along with the long-term transformation of the institutions themselves in relation to how it reinforces and reproduces unequal power relations through its work.¹⁸

3. Internal mechanisms for accountability and IFIs’ policies

As an intentional strategic change following internal and external requirements, and in response to international pressure and reputational risks, IFIs have taken steps to integrate safeguards into their work, which are meant to revise the possible environmental and social impact for the projects they fund and the reforms they promote. Through accountability and social responsibility programs, IFIs have attempted to self-regulate their approach to lending and funding programs. These efforts stem in no small part from a desire from IFIs to shift the narrative on their

¹⁶ Id. at ¶ 7.3.

¹⁷ Human Rights Council, *supra* note 12, at ¶ 37–39.

¹⁸ UN Women. (2015). *Transforming economies, realizing rights*. <https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/Library/Publications/2015/POWW-2015-2016-en.pdf>.

roles, showing that they have evolved with the times.¹⁹ Though their intrinsic concerns with social issues are still up for debate, this suggests that change and alignment with international human rights law is possible.

While these instruments may not address human rights violations as such, they can provide relevant guidance and some oversight²⁰. Here are some examples of most prominent social frameworks of some IFIs:

- **World Bank's Environmental and Social Framework:** Requires environmental and social due diligence, risk classification, stakeholder consultation, and disclosure.²¹ Yet it avoids explicit reference to international human rights treaties, leaving gaps in accountability.
- **World Bank Inspection Panel:** Provides a grievance mechanism for affected communities.²² However, its findings are advisory, and the Bank retains discretion on remedies.²³
- **IMF Social Spending Strategy:** Acknowledges the need to support vulnerable populations but treats social spending as secondary to fiscal consolidation.²⁴ Social spending "floors" are non-binding and frequently waived.²⁵
- **IMF Gender Strategy:** Recognizes that economic and financial policies can "exacerbate or narrow gender disparities" and sets out how the IMF can help member countries address gender inequality through its core functions of surveillance, lending, and capacity development.²⁶

19 Lagarde, C. (2014, December 5). *Opening address to the conference on "Challenges for securing growth and shared prosperity in Latin America"*. International Monetary Fund. <https://www.imf.org/en/News/Articles/2015/09/28/04/53/sp120514>. (archived at: <https://archive.is/8cwRY>)

20 Tan & Quintero, *supra* note 6.

21 World Bank. (2017). *Environmental and social framework* (pp. 23–24). <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>. (archived at: <https://archive.is/B7dED>)

22 World Bank. (2025). *The Inspection Panel*. <https://www.inspectionpanel.org>

23 Human Rights Watch. (2014). *Tom Lantos Human Rights Commission: Hearing on World Bank Safeguards Review Process*. <https://www.hrw.org/news/2014/04/09/tom-lantos-human-rights-commission-hearing-world-bank-safeguards-review-process>. (archived at: <https://archive.ph/5sdLG>)

24 International Monetary Fund. (2019). *A strategy for IMF engagement on social spending*. <https://www.imf.org/en/Publications/Policy-Papers/Issues/2019/06/10/A-Strategy-for-IMF-Engagement-on-Social-Spending-46975>. (archived at: <https://archive.ph/ID9j3>)

25 Bretton Woods Project. (2017). *The truth behind IMF's claims to promote social protection in low-income countries*. <https://www.brettonwoodsproject.org/2017/06/the-truth-behind-imfs-claims-to-promote-social-protection-in-low-income-countries>. (archived at: <https://archive.is/ipmLZ>)

26 International Monetary Fund. (2022). *IMF strategy toward mainstreaming gender*. <https://www.imf.org/en/Publications/Policy-Papers/Issues/2022/07/28/IMF-Strategy-Toward-Mainstreaming-Gender-521344> (archived at: <https://archive.ph/WMq8G>); International Monetary Fund. (2024). *Interim guidance note on mainstreaming gender at the IMF*. <https://www.imf.org/en/Publications/Policy-Papers/Issues/2024/01/12/Interim-Guidance-Note-on-Mainstreaming-Gender-at-The-IMF-543779>. (archived at: <https://archive.ph/zYmG3>). See also, a critical view of the World Bank's gender mainstreaming approach at Bretton Woods Project. (2022). *The World Bank's approach to gender mainstreaming*. <https://www.brettonwoodsproject.org/2022/12/the-world-banks-approach-to-gender-mainstreaming-2>. (archived at: <https://archive.ph/FVBGR>)

- **World Bank Gender Strategy:** Identifies removing gender barriers as essential to development, with an emphasis on three strategic objectives: (i) ending gender-based violence and elevating human capital; (ii) expanding and enabling economic opportunities; and (iii) engaging women as leaders.²⁷

Despite these measures, IFIs continue to promote neoclassical economic prescriptions—such as fiscal consolidation through subsidy cuts, public sector wage bill caps, privatization, and regressive taxation—that consistently undermine economic and social rights. Accountability structures remain weak, often favoring the interests of creditors over the rights of local communities. With the gender strategies being specifically criticized for “pinkwashing” a “business as usual” approach,²⁸ adopting a narrow and instrumentalized understanding of gender, and failing to address how the core policy orthodoxies of the IFIs—such as austerity and private-sector-first strategies—act as fundamental and systemic drivers of gender inequality.²⁹ Examples from around the globe demonstrate this pattern.

27 World Bank Group. (2024). *Gender strategy 2024–2030: Accelerate gender equality to end poverty on a liveable planet*. <https://documents1.worldbank.org/curated/en/099061124182033630/pdf/BOSIB-7e695257-f020-4bc5-b498-2a89c05be6a4.pdf>. (archived at: <https://archive.ph/NvcmY>)

28 For example, the Bretton Woods Project 2024 analysis of the gender strategy notes that “[t]hese outcomes are gravely insufficient to measure the Bank’s impact on gender equality – and would appear to vindicate civil society’s fears about the Bank’s ‘pinkwashing’ of its ‘business as usual’ approach (see Observer Autumn 2023).” For more, see full text at Bretton Woods Project. (2024). *World Bank fails to incorporate key elements of new gender strategy in IDA21 policy package and corporate scorecard*. <https://www.brettonwoodsproject.org/2024/10/world-bank-fails-to-incorporate-key-elements-of-new-gender-strategy-in-ida21-policy-package-and-corporate-scorecard/>. (archived at: <https://archive.ph/ALt1J>)

29 Bretton Woods Project. (2022). *The World Bank’s approach to gender mainstreaming*. <https://www.brettonwoodsproject.org/2022/12/the-world-banks-approach-to-gender-mainstreaming-2/> (archived at: <https://archive.ph/FVBGR>); Bretton Woods Project. (2023). *World Bank gender strategy risks undermining new human rights language with continued private sector bias*. <https://www.brettonwoodsproject.org/2023/10/wbg-gender-strategy-risks-undermining-new-human-rights-language-with-continued-private-sector-bias/> (archived at: <https://archive.ph/rxi05>); Public Services International & ActionAid. (2022). *The care contradiction: The IMF, gender and austerity*. <https://actionaid.org/sites/default/files/publications/The%20Care%20Contradiction%20-%20The%20IMF%20Gender%20and%20Austerity.pdf> (archived at: <https://archive.ph/AKOQB>); Bretton Woods Project. (2024). *IMF’s interim guidance note on mainstreaming gender fails to address negative gendered impacts of IMF austerity*. <https://www.brettonwoodsproject.org/2024/07/imfs-interim-guidance-note-on-mainstreaming-gender-fails-to-address-negative-gendered-impacts-of-imf-austerity/> (archived at: <https://archive.ph/3wkh2>)

4. Country examples of rights violations

The activities of IFIs have pervasive and long-term effects across the globe, within the Global North and, most importantly, across the Global South. This section exemplifies the dangers of not ensuring checks and balances to the activities of IFIs and the human cost of not having a robust human rights approach to the extraterritorial obligations of IFIs.

1) IMF Austerity and the Pandemic Response

During the COVID-19 pandemic, the IMF approved dozens of loans. Human Rights Watch found that 32 of 39 loans (2020–2023) included austerity measures such as wage bill freezes, subsidy removals, and regressive taxation.³⁰ While “social spending floors” were introduced, they were non-binding, inconsistently applied, and often inadequate.³¹ Jordan, for example, removed subsidies on bread and fuel while introducing limited, targeted cash transfers that reached only a fraction of the poor.³² The IMF’s approach reinforced inequality and undermined rights to food, housing, and healthcare at a moment of acute global crisis.³³ Moreover, these effects had noticeably gendered impacts, such as girls being commonly removed from schooling as a response to austerity, cuts to the public sector leading to greater unpaid care burdens for women, and women avoiding seeking healthcare when facing increased costs or in favor of other family members also seeking healthcare.³⁴

2) Structural Adjustment and Africa’s “Lost Decades”

For decades, IFI structural adjustment programs in Africa emphasized fiscal deficit reduction, privatization, and liberalization.³⁵ These measures curtailed public investment in health and education, leading to what many call a “lost decade” of development in the 1980s and 1990s.³⁶ Even recently, the IMF continues to impose

30 Human Rights Watch. (2023). *IMF: Austerity loan conditions risk undermining rights*. <https://www.hrw.org/news/2023/09/25/imf-austerity-loan-conditions-risk-undermining-rights> (archived at: <https://archive.ph/KSTTb>)

31 *Id.*

32 Human Rights Watch. (2023). *Bandage on a bullet wound: IMF social spending floors and the COVID-19 pandemic*. <https://www.hrw.org/report/2023/09/25/bandage-bullet-wound/imf-social-spending-floors-and-covid-19-pandemic> (archived at: <https://archive.ph/p09XB>)

33 Human Rights Watch, *supra* note 23.

34 For more information on the gendered impacts of austerity-driven COVID-19 responses, see, African Women’s Development and Communication Network (FEMNET). (2023). *Fiscal justice and women’s rights: Why austerity must end!* <https://www.femnet.org/2023/10/fiscal-justice-and-womens-rights-why-austerity-must-go/> (archived at: <https://archive.ph/pFpEL>) Gender and Development Network (GADN) (2025). *Feminist Macroeconomic Proposals: Rebuilding More Equitable, Just and Sustainable Economies post-COVID-19*. <https://gadnetwork.org/gadn-resources/feminist-macroeconomic-proposals-rebuilding-more-equitable-just-and-sustainable-economies-post-covid-19> (archived at: <https://archive.ph/CbIM5>)

35 *Fifty Years of Failure: The International Monetary Fund, Debt and Austerity in Africa*, ActionAid 2–4 (2023), https://www.actionaidusa.org/wp-content/uploads/2023/10/Fifty-Years-of-Failure-The-IMF-Debt-and-Austerity-in-Africa_0.pdf. (archived at: <https://archive.ph/pFpEL>)

36 *Id.* at 2.

wage bill ceilings and deficit reduction targets that restrict States' ability to fund teachers, doctors, and social workers. Organizations like Oxfam have noted the grave effects World Bank-backed healthcare investments have had in denying care to vulnerable populations by financially supporting private healthcare models.³⁷ Patients are oftentimes indebted and jailed for being unable to pay, with the World Bank being complicit in the denial to their right to health.³⁸ The gendered impact of these programs is notable, from cuts in the public sector leading to increased care burdens, lack of resources to address and prevent gender-based violence, and disproportionate loss of jobs by women. African feminists have for decades called for policy alternatives to the debt crisis that enable gender equality, rather than undermine it.³⁹

37 Oxfam International. (2025). *Oxfam reaction to ICIJ investigation exposing the World Bank's harmful privatization of healthcare in Africa*. <https://www.oxfam.org/en/press-releases/oxfam-reaction-icij-investigation-exposing-world-banks-harmful-privatization> (archived at: <https://archive.ph/GbKy8>)

38 *Id.*

39 See Musindarwezo, D., & Jones, T. (2019). *Debt and gender equality: How debt-servicing conditions harm women in Africa*. *Bretton Woods Project*. <https://www.brettonwoodsproject.org/2019/04/debt-and-gender-equality-how-debt-servicing-conditions-harm-women-in-africa/> (archived at: <https://archive.ph/yRl1b>); Kachambwa, M. (2021). *Africa's debt crisis widening gender inequality* [Video]. FEMNET. <https://kofa.nawi.africa/publications/africas-debt-crisis-widening-gender-inequality-memory-kachambwa-femnet>



3) Sierra Leone

In Sierra Leone, the IMF has influenced budgetary policies for almost a decade, starting in 2016.⁴⁰ IMF wage ceilings had limited the country's ability to pay frontline workers in the fields of health and education.⁴¹ In 2024, Sierra Leone entered an Extended Credit Facility arrangement with the IMF for Special Drawing Rights (SDRs) amounting to SDR 187 million (about US\$253 million). The purpose of the ECF is to restore stability through continued macroeconomic adjustment to address debt vulnerabilities, reduce inflation, and rebuild international reserves; bolster inclusive growth and poverty reduction through structural reforms and targeted social spending; and revitalize the reform agenda to strengthen governance and institutions – all advancing the poverty reduction and growth aspirations outlined in the country's Medium Term National Development Plan (MTNDP) 2024-30.⁴² The effect of preconditionalities associated with the ECF have been austerity measures in line with the IMF's typical qualification requirements. These have been characterized by fiscal and monetary tightening and cutting of the primary fiscal deficit in a bid to stabilize the exchange rate.⁴³ This also led to prioritization of fiscal, monetary and exchange stability and translated into a harsh economic climate where public investment declined. This resulted in retrogression of human rights, more so of women's rights⁴⁴ and the rights of gender diverse people in particular.⁴⁵

4) Zambia

In addition to the structural adjustment programs, most recently, under the Extended Credit Facility arrangement of 2022, Zambia was offered an immediate disbursement of SDR 139.88 million (about US\$184 million).⁴⁶ Zambia was strong-armed into eliminating subsidies that alleviated poverty for the most vulnerable while reducing corporate income tax.⁴⁷ The impact of fertilizer subsidies for peasant farmers (most

40 For more, see NAWI Feminist Collective's knowledge portal for feminist resources on the IMF's impact in these countries at <https://kofa.nawi.africa/>.

41 *Id.* at 19–21.

42 International Monetary Fund. (2024). *IMF reaches staff-level agreement on a new 38-month Extended Credit Facility arrangement with Sierra Leone and completes 2024 Article IV mission*. <https://www.imf.org/en/News/Articles/2024/09/20/imf-reaches-sla-on-38-month-ecf-with-sierra-leone> (archived at: <https://archive.ph/4kRxX>).

43 International Monetary Fund. (2024). *IMF Country Report No. 24/321: Sierra Leone*. <https://www.imf.org/en/Publications/CR/Issues/2024/11/22/Sierra-Leone-2024-Article-IV-Consultation-and-Request-for-a-38-Month-Arrangement-Under-the-558772>

44 The BMJ. (2024). *The BMJ Appeal 2023–24: IMF austerity policies are strangling healthcare systems in the Global South*. <https://www.bmj.com/content/384/bmj.q189> (archived at: <https://archive.ph/r9Pxb>)

45 ActionAid. (2023). *Stand up for inclusive public services: An illustrated guide and case studies*. <https://www.actionaid.org.uk/sites/default/files/2023-05/Stand%20up%20for%20inclusive%20public%20services.pdf>. (archived at: <https://archive.ph/PQjIM>)

46 International Monetary Fund. (2024). *Zambia: IMF Executive Board completes fourth review under the Extended Credit Facility and financing assurances review*. <https://www.imf.org/en/News/Articles/2024/12/17/pr24476-zambia-imf-completes-4th-review-under-ecf>. (archived at:

47 *Id.* at 23–24.

of whom are women) threatened access to and the right to food and livelihoods. Fuel subsidies set off inflationary pressure on the economy and people, access to healthcare and education endured deeper cuts, leading to an increase in user fees. Ultimately, the poor and vulnerable groups, including women and girls in their diversity, are worse-off. These measures have well-documented gendered impacts, as women and gender-diverse people are disproportionately employed in education and healthcare and disproportionately rely on social services.⁴⁸ The same is true for gender diverse populations, whose increased work in the unpaid care sector makes their ability to access vital services even harder than it already is.

5) Ecuador

In 2020, Ecuador entered a \$6.5 billion IMF Extended Fund Facility loan amid a severe fiscal and political crisis.⁴⁹ The agreement demanded austerity: reducing the public wage bill, cutting pensions, privatizing state assets, and liberalizing interest rates.⁵⁰ Between 2017 and 2019, health spending plummeted by 64%, leading to mass layoffs of health workers—60% of whom were women (additionally, 85% of nurses are women).⁵¹ Caregivers, frontline workers, and primary users of social services, women bore the brunt of the cuts.⁵² They faced heightened exposure to COVID-19, increased risks of gender-based violence, and intensified unpaid care responsibilities.⁵³ In addition to that, 2019 protests on oil subsidies removal were connected to IMF advice on the topic.⁵⁴

6) Pakistan

Pakistan's long history with the IMF includes 23 lending arrangements since 1958.⁵⁵ Repeated programs have required subsidy removals, regressive sales taxes, and tariff increases on electricity, gas, and fuel.⁵⁶ Between 2018 and 2021, petrol prices rose nearly 80%, triggering food price hikes that devastated household budgets.⁵⁷ Women and gender diverse populations usually shoulder the largest brunt of responsibility

48 *Id.* at 4; Eurodad. (2021). *COVID-19 crisis: Key ingredients for a feminist recovery*. https://www.eurodad.org/key_ingredients_for_a_feminist_recovery_2 (archived at: <https://archive.ph/HnkOL>); RESURJ. (2023). *Why the International Monetary Fund is fundamentally incompatible with our demands for intersectional feminist economic justice*. <https://resurj.org/reflection/why-the-international-monetary-fund-is-fundamentally-incompatible-with-our-demands-for-intersectional-feminist-economic-justice/> (archived at: <https://archive.ph/m1tk9>)

49 Muchhala, B., et al. (2022). *Gendered austerity in the COVID-19 era: A survey of fiscal consolidation in Ecuador and Pakistan* (p. 6). Third World Network. <https://www.twn.my/title2/books/pdf/GenderedAusterity.pdf> (archived at: <https://archive.ph/r2LEN>)

50 *Id.*

51 *Id.* at 6; *Id.* at 8.

52 *Id.* at 8.

53 *Id.*

54 See, for instance, International Institute for Sustainable Development. (2019). *A lesson from Ecuador on fossil fuel subsidies*. <https://www.iisd.org/articles/lesson-ecuador-fossil-fuel-subsidies> (archived at:

55 *Id.* at 17.

56 *Id.*

57 *Id.* at 18.

for household provisioning and are overrepresented in informal labor. Thus, they were especially affected by these policies.⁵⁸ Cuts in social spending further reduced access to maternal health services and education for girls, amplifying cycles of gender inequality.⁵⁹ These concerns have been brought to the CEDAW Committee by local NGOs and advocates, drawing condemnation from the treaty body.⁶⁰

7) Argentina

Argentina's repeated IMF programs have prioritized deficit reduction and debt repayment.⁶¹ The consequences have included cuts to reproductive health services, wage freezes in feminized professions such as teaching and nursing, and reduced investment in childcare and social protection.⁶² These measures worsened structural inequalities, shifting the burden of unpaid labor onto women.⁶³ Civil society groups have highlighted how IMF-backed austerity exacerbated gender inequalities, undermining Argentina's commitments under CEDAW and other international instruments.⁶⁴ Furthermore, the two most recent agreements of Argentina with the IMF have been called into question for not observing procedural human rights guarantees, such as transparency and participation (for example, by bypassing Congressional oversight of the agreements).

8) Egypt

In exchange for a USD 12 billion loan, Egypt's 2016 IMF-backed "economic reform" program centered on fiscal consolidation through subsidy cuts, regressive tax reforms, and public-sector downsizing.⁶⁵ These austerity measures have had severe human rights consequences, driving up poverty from 27.8 percent in 2016 to 32.5

58 *Id.* at 18–19.

59 *Id.* at 23.

60 Women's rights groups also raised the issue of the IMF's impact at Pakistan's review in 2020. The Committee picked it up during the constructive dialogue but did not give a specific recommendation in its Concluding Observations. See at Bretton Woods Project. (2020). *UN holds Pakistan to account for IMF programme impacts on women*. <https://www.brettonwoodsproject.org/2020/04/un-holds-pakistan-to-account-for-imf-programme-impacts-on-women/> (archived at: <https://archive.ph/RFKwi>)

61 Brosio, M. (2023). *The IMF and its gender strategy: Good news for women in the Global South?* Friedrich Ebert Stiftung, p. 15. <https://library.fes.de/pdf-files/bueros/argentinien/20788.pdf> (archived at: <https://archive.ph/oUq4R>)

62 *Id.* at 16.

63 *Id.* at 16–17.

64 *Id.* at 17.

65 Arab Republic of Egypt Ministry of Finance. (2016). *The Financial Monthly*. <https://budget.gov.eg/wp-content/uploads/2023/09/The-Financial-Monthly-Report-September-2016.pdf> (archived at: <https://archive.is/IUVQp>); World Bank Group. (2014). *Egypt's private sector: A driving force for job creation*. <https://www.worldbank.org/en/news/feature/2014/09/18/egypts-private-sector-a-driving-force-for-job-creation> (archived at: <https://archive.ph/uoHJA>); Center for Economic and Social Rights (CESR). (2019). *Egypt: Rights, regression and repression*. https://www.cesr.org/sites/default/files/egypt_upr_web.pdf (archived at: <https://archive.ph/DtVlt>)

percent in 2019, and deepening already stark regional and gender inequalities.⁶⁶ Inflation rose by over 100 percent between 2014 and 2019, while fruit and vegetable prices more than doubled, severely eroding real wages.⁶⁷ Cuts to health and education budgets led to investments below constitutionally required levels (1.34 percent and 1.4 percent of GNP, respectively) and have restricted access to essential services,⁶⁸ with women and rural communities disproportionately affected by rising out-of-pocket health costs.⁶⁹ Public-sector retrenchment under Law 18 (2015) has also undermined women's employment security, given their concentration in public-sector jobs.⁷⁰ Together, these IMF-supported policies have exacerbated inequality and hindered Egypt's obligations to progressively realize economic, social, and cultural rights under the ICESCR and CEDAW.⁷¹

9) Serbia

Since 2014, Serbia's austerity program has centered on fiscal consolidation through pension cuts, public-sector downsizing, and regressive tax increases on consumption and housing.⁷² These measures, adopted without consultation, disproportionately affected women, who make up the majority of public employees.⁷³ Since December 2024, Serbia has a 36-month Policy Coordination Instrument (PCI) with the IMF with key commitments such as maintaining a fiscal discipline with a 3% GDP deficit limit as well as advancing structural reforms that still lead to divestment from public services and fiscal entrenchment policies.⁷⁴ The country's tax system remains highly regressive: over 40 percent of revenues derive from VAT and excise taxes, while

66 Central Agency for Public Mobilization & Statistics, Arab Republic of Egypt & Economic Research Forum. (2023). *Household Income, Expenditure, and Consumption Survey (HIECS) 2019/2020*. https://www.erfdataportal.com/index.php/catalog/254#doc_desc.title_statement (archived at: <https://archive.ph/1pgxn>)

67 Kassab, B. (2019). *MP: New fuel pricing mechanism 'rushed' through to appease IMF on subsidy cuts*. Mada Masr. <https://www.madamasr.com/en/2019/07/09/feature/economy/mp-new-fuel-pricing-mechanism-rushed-through-to-appease-imf-on-subsidy-cuts/> (archived at: <https://archive.ph/JOu9d>)

68 Arab Republic of Egypt Ministry of Finance. (2018). *The Financial Monthly*. <https://budget.gov.eg/wp-content/uploads/2023/09/The-Financial-Monthly-Report-February-2018.pdf> (archived at: <https://archive.ph/fo4yn>); Egypt Social Progress Indicators. (2018). *Measuring progress towards improved wellbeing in Egypt: ESPI Annual Report 2018*. https://www.progressegyp.org/files/espi_annual_report_2018.pdf (archived at: <https://archive.ph/8xEIv>)

69 Egypt Social Progress Indicators *supra* note 72; Ministry of Health and Population of Egypt, El-Zanaty and Associates, & ICF International. (2015). *Egypt: Demographic and Health Survey 2014*. <https://dhsprogram.com/pubs/pdf/fr302/fr302.pdf> (archived at: <https://archive.ph/AoMzS>)

70 World Bank Group, *supra* note 69.

71 United Nations General Assembly. (1979). *Convention on the Elimination of All Forms of Discrimination against Women*, UN G.A. Res. 34/180.

72 Center for Economic and Social Rights (CESR). (2022). *Briefing on the joint submission to the Committee on Economic, Social and Cultural Rights on the occasion of the review of Serbia's third periodic report at the 71st session*.

73 *Id.*

74 IMF, 2025. Country Report No. 2025/176: Republic of Serbia: 2025 Article IV Consultation, First Review Under the Policy Coordination Instrument, and Request for Modification of Targets-Press Release; Staff Report; and Statement by the Executive Director for the Republic of Serbia, available at <https://www.imf.org/en/Publications/CR/Issues/2025/07/10/Republic-of-Serbia-2025-Article-IV-Consultation-First-Review-Under-the-Policy-Coordination-568458#:text=Summary,heightened%20domestic%20and%20global%20uncertainty>.

the corporate income tax rate is just 15 percent, well below the European average. Inheritance and income taxes remain largely unprogressive.⁷⁵ Meanwhile, public investment in education and health has declined, with education spending falling from 4.74 to 4.08 percent of GDP, and social benefits dropping from 2.63 to 2.11 percent between 2014 and 2020.⁷⁶ At the same time, resources have been diverted towards military expenditure and politically motivated transfers, including billions of dinars redirected from COVID-19 recovery and social assistance to non-social purposes.⁷⁷ These fiscal choices have contributed to one of the highest inequality rates in Europe (Gini coefficient 35.6), with 22 percent of the population at risk of poverty and 6.8 percent in absolute poverty.⁷⁸ The government's COVID-19 response further entrenched inequality, excluding informal workers, Roma, and undocumented persons from relief measures.⁷⁹ The continued property tax on social housing and the lack of basic services in over 700 Roma settlements violate the right to adequate housing, despite calls by the UN Special Rapporteur to abolish the tax.⁸⁰ Collectively, these austerity and fiscal policies have led to retrogression in the realization of the rights to social protection, housing, health, and education, contravening Serbia's obligations under the ICESCR to use the maximum of its available resources to progressively realize economic, social, and cultural rights.⁸¹ Current protests and unrest in Serbia have been connected to the effects of these austerity measures and the social discontent with them.

10) Guatemala

In the early 1980s, the World Bank and the Inter-American Development Bank financed the Chixoy Dam project in Guatemala.⁸² The project forcibly displaced more than 3,500 Maya Achi community members and led to widespread violence, including massacres of over 400 people who resisted relocation.⁸³ Survivors endured decades of poverty and dispossession before securing a reparations agreement in 2010, worth \$154.5 million and including housing and infrastructure commitments.⁸⁴

⁷⁵ *Id.* at 3.

⁷⁶ *Id.* at 4.

⁷⁷ *Id.*

⁷⁸ *Id.* at 5.

⁷⁹ *Id.* at 5–6.

⁸⁰ *Id.* at 6; See also Human Rights Council. (2016). *Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context on her mission to Serbia and Kosovo*, A/HRC/31/54/Add.2. <https://docs.un.org/es/A/HRC/31/54/Add.2> (archived at: <https://archive.ph/IXvku>)

⁸¹ United Nations General Assembly. (1966). *International Covenant on Economic, Social and Cultural Rights*, Art. 2(1), G.A. Res. 2200A (XXI).

⁸² International Rivers. (2010). *Chixoy Dam*. <https://riverresourcehub.org/resources/chixoy-dam/>. (archived at: <https://archive.ph/SI8mw>)

⁸³ *Id.*; Dearden, N. (2012). *Guatemala's Chixoy dam: Where development and terror intersect*. The Guardian. <https://www.theguardian.com/global-development/poverty-matters/2012/dec/10/guatemala-chixoy-dam-development-terror> (archived at: <https://archive.ph/DQuiu>)

⁸⁴ International Rivers, *supra* note 69.

The effects of this kind of deprivation are felt the most by Indigenous women. Indigenous women are most often in charge of care duties in the household, increasing the burden of unpaid economic labor.⁸⁵ Additionally, these conditions increase violence within communities, leading to rising levels of gender-based violence. For example, in the case of the Chixoy Dam, sexual violence against Mayan women was used as an instrument of terror by authorities even decades after the construction project ended, as women continued to advocate for justice.⁸⁶ This case exemplifies the dangers of IFIs funding projects without adequate human rights safeguards and illustrates how financial institutions can become complicit in atrocities.

85 Velásquez Nimatuj, I. A. (2024). *Conflict-related sexual violence (CRSV) and transitional justice in Guatemala*. Chr. Michelsen Institute (CMI). <https://www.cmi.no/publications/9289-conflict-related-sexual-violence-crsv-and-transitional-justice-in-guatemala>

86 Id.



5. Rights-Aligned Practices

As CESR and Christian Aid stated previously, in order for rights-based practices to flourish, we need to have rights-based macroeconomic systems that create an enabling environment for the realization of social and economic rights.⁸⁷ Rights-based economies guarantee the material, social and environmental conditions necessary for all people to live with dignity on a flourishing planet.⁸⁸ These require a series of rights-aligned transformations at the macroeconomic level which includes decolonizing decision-making at the international level. It also requires a loosening of the power that international financial institutions have to determine the macroeconomic policy choices that governments have. IFIs are profoundly undemocratic in their own decision-making structures. For instance, in the World Bank and the IMF, middle and low-income countries – which constitute around 85% of the world’s population – have only about 40% of the vote.

There are some step-by-step guides developed by OHCHR and UNEP to help financial institutions align their practices with the UN Guiding Principles on Business and Human Rights.⁸⁹ These guides do provide inspiration and concrete examples as to what rights-aligned practices should look like: ranging from human rights due diligence, grievance, and remedy as well as stakeholder engagement. It would, nevertheless, be important to develop robust tools and concrete examples of rights-aligned practices that deliver on binding commitments such as those enshrined in the ICESCR and CEDAW.

⁸⁷ CESR & Christian Aid. (2020). *A rights-based economy: Putting people and planet first*. <https://www.cesr.org/sites/default/files/Rights%20Based%20Economy%20briefing.pdf>. (Archived at: <https://archive.ph/7GiYV>)

⁸⁸ Id.

⁸⁹ United Nations Environment Programme Finance Initiative (UNEP FI). (2025). *Human Rights Toolkit for Financial Institutions*. <https://www.unepfi.org/humanrightstoolkit/>; OHCwvHR Working Group on Business and Human Rights. (2025). *Financial sector and human rights*. <https://www.ohchr.org/en/special-procedures/wg-business/financial-sector-and-human-rights>

Conclusion

International financial institutions shape the policy space of States in ways that directly affect the fulfillment of human rights. The international human rights framework posits that human rights must be respected, protected, and fulfilled. Despite such international legal frameworks demanding respect for rights, IFIs continue to promote economic prescriptions that undermine them, particularly for women, in all their diversity, and marginalized groups, and that have historically had a spotty track record with regard to their effectiveness in ending economic crises. Their partial safeguards and accountability mechanisms are insufficient and too often subordinated to fiscal or creditor interests. Until IFIs fully integrate human rights into their operations across the globe, they will remain complicit in policies that deepen poverty and inequality. Reorienting global finance toward human rights is not merely aspirational—it is a legal and moral imperative. Civil society, States, and communities must continue to demand accountability, ensuring that economic governance serves people rather than subjugating them.



Want to learn more?

It is possible for IFIs - and the Member States that direct them - to fulfill their mandates in a manner that enables human rights and supports the dignity and wellbeing of all people. Social movements and civil society have offered alternatives for decades, with mounting evidence that the current economic dogmas and approaches relied on by these institutions result in serious and sometimes irreparable harm. We have touched on some of these alternatives in this Explainer. Below you'll find a non-exhaustive list of additional resources setting out demands and recommendations for how IFIs can reform their practices to be human rights-compliant.

Governance reform

Bretton Woods Project, "Civil society calls for a meaningful Quota Reform that accurately reflects the changes in the global economy to ensure a fair representation of all member countries", 18 December 2023.

Holistic integration of human rights' duties

The African Women's Development and Communication Network (FEMNET), "Fiscal Justice and Women's Rights: Why Austerity Must End!", 12 October 2023.

Bretton Woods Project, "Brace for impact: Social and gender inequality in IMF surveillance", 7 October 2025.

Bretton Woods Project, "Civil society defends feminist demands amidst threat to women's rights and fresh questions over the role of the BWIs", 15 April 2025.

Human Rights Watch, "Responsibility of International Financial Institutions to ensure Meaningful and Effective Participation and Accountability within their investments, and to Foster Enabling Environment for Freedoms of Expression, Assembly, and Association", Joint Statement, 11 July 2016.

UN Independent Expert on the Promotion of a Democratic and Equitable International Order, "The interplay between the economic policies and safeguards of international financial institutions and good governance at a local level", 10 August 2020.

UN Special Rapporteur on Extreme Poverty and Human Rights, "The International Monetary Fund (IMF) and its impact on social protection", 8 May 2018.

Alignment of sovereign debt and human rights

Center for Economic and Social Rights (CESR), "Time for good faith - and real change - on sovereign debt: A call for a UN framework convention", 16 May 2025.

Civil Society Financing for Development Mechanism, "Debt". Relatedly, see also, Campaign of Campaigns, "Debt cancellation and Sovereign Debt Workout Mechanism".

Committee for the Abolition of Illegitimate Debt, Andrés Arauz, Ivana Vasic-Lalovic, Francisco Amsler, "The Case for the Complete Removal of IMF Surcharges: Historical Precedents and a Growing Burden Debt", 17 September 2024.

MENA Fem, "End Surcharges Campaign", 8 April 2024.

Alignment of climate finance and human rights

CESR, "Key Concepts: Climate Finance, Reparations, and Human Rights", 10 November 2024.

European Network on Debt and Development (Eurodad), "What's wrong with climate in relation to the debt crisis?"

Women's Environment and Development Organisation (WEDO), "Dimensions of Feminist Climate Finance", 9 December 2024.

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