



General Assembly

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Human Rights Council

Twenty-seventh session

Agenda item 3

**Promotion and protection of all human rights, civil,
political, economic, social and cultural rights,
including the right to development**

Resolution adopted by the Human Rights Council

27/30

Effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights: the activities of vulture funds

The Human Rights Council,

Guided by the purposes and principles of the Charter of the United Nations, the Vienna Declaration and Programme of Action and the United Nations Declaration on the Right to Development,

Recalling the determination expressed in the Preamble to the Charter to promote social progress and better standards of life in larger freedom, and to employ international machinery for the promotion of the economic and social advancement of all peoples,

Recalling also the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and other relevant international human rights instruments,

Recalling further General Assembly resolution 68/304 entitled “Towards the establishment of a multilateral legal framework for sovereign debt restructuring processes”, adopted on 9 September 2014,

Reaffirming all resolutions and decisions adopted by the Commission on Human Rights and the Human Rights Council on the effects of structural adjustment and economic reform policies and foreign debt on the full enjoyment of all human rights, particularly economic, social and cultural rights, the most recent being Council resolution 25/16 of 15 April 2014,

Welcoming the work and commending the contributions of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights, in particular the conclusions and recommendations of his report with a thematic focus on

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vulture funds,¹ in which he aimed to draw global attention to the negative impact of the activities of vulture funds on international debt relief efforts and on the capacity of indebted poor countries that have benefited from debt relief to create the necessary conditions for the realization of human rights, including the right to development,

Noting the concern expressed in the declaration that Heads of State and Government of the Group of 77 and China issued on the occasion of the summit entitled “For a New World Order for Living Well”, held in Santa Cruz de la Sierra, Plurinational State of Bolivia, on 14 and 15 June 2014,² that reiterates the importance of not allowing vulture funds to paralyse the debt restructuring efforts of developing countries, and that these funds should not supersede the State’s right to protect its people under international law,

Recognizing the sovereign right of any State to restructure its sovereign debt, which should not be frustrated or impeded by any measure emanating from another State,

Affirming that debt burden contributes to extreme poverty and hunger and is an obstacle to sustainable human development, to the realization of the Millennium Development Goals and to the right to development, and is thus a serious impediment to the realization of all human rights,

Encouraging all Governments, relevant United Nations agencies, funds and programmes and the private sector, when designing policies and programmes, to take into consideration the guiding principles on foreign debt and human rights,³ in particular paragraphs 6, 8 and 20 thereof, that were endorsed by the Human Rights Council in its resolution 20/10 of 10 July 2012,

Noting that the international financial system does not have a sound legal framework for the orderly and predictable restructuring of sovereign debt, which further increases the economic and social cost of non-compliance,

Expressing its concern about the voluntary nature of international debt relief schemes, which has created opportunities for vulture funds to acquire defaulted sovereign debt at vastly reduced prices and then seek repayment of the full value of the debt through litigation, seizure of assets or political pressure,

Taking into account the fact that vulture funds, through litigation and other means, oblige indebted countries to divert financial resources saved from debt cancellation and diminish the impact of, or dilute the potential gains from, debt relief for these countries, thereby undermining the capacity of Governments to guarantee the full enjoyment of human rights of the population,

Welcoming the research proposal on the activities of vulture funds and human rights proposed by the Advisory Committee in its action 13/7 at its thirteenth session⁴ and submitted to the Human Rights Council for its consideration,

1. *Condemns* the activities of vulture funds for the direct negative effect that the debt repayment to those funds, under predatory conditions, has on the capacity of Governments to fulfil their human rights obligations, particularly economic, social and cultural rights and the right to development;

2. *Reaffirms* in this context that the activities of vulture funds highlight some of the problems in the global financial system and are indicative of the unjust nature of the

¹ A/HRC/14/21.

² See A/68/948, annex.

³ A/HRC/20/23, annex.

⁴ See A/HRC/AC/13/2.

current system, which directly affects the enjoyment of human rights in debtor States, and calls upon States to consider implementing legal frameworks to curtail predatory vulture fund activities within their jurisdictions;

3. *Encourages* all States to participate in the negotiations aimed at establishing a multilateral legal framework for sovereign debt restructuring processes, as referred to in General Assembly resolution 68/304, and invites States participating in the negotiations to ensure that such a multilateral legal framework will be compatible with existing international human rights obligations and standards;

4. *Requests* the Advisory Committee to prepare a research-based report on the activities of vulture funds and the impact on human rights, and to present a progress report of that research to the Human Rights Council at its thirty-first session for its consideration;

5. *Also requests* the Advisory Committee to seek the views and inputs of Member States, United Nations agencies, relevant international and regional organizations, the Office of the United Nations High Commissioner for Human Rights and relevant special procedures, including the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights, as well as national human rights institutions and non-governmental organizations, in the preparation of the above-mentioned research-based report.

*41st meeting
26 September 2014*

[Adopted by a recorded vote of 33 to 5, with 9 abstentions. The voting was as follows:

In favour:

Algeria, Argentina, Benin, Botswana, Brazil, Burkina Faso, Chile, China, Congo, Costa Rica, Côte d'Ivoire, Cuba, Ethiopia, Gabon, India, Indonesia, Kazakhstan, Kenya, Kuwait, Maldives, Mexico, Morocco, Namibia, Pakistan, Peru, Philippines, Russian Federation, Saudi Arabia, Sierra Leone, South Africa, United Arab Emirates, Venezuela (Bolivarian Republic of), Viet Nam

Against:

Czech Republic, Germany, Japan, United Kingdom of Great Britain and Northern Ireland, United States of America

Abstaining:

Austria, Estonia, France, Ireland, Italy, Montenegro, Republic of Korea, Romania, the former Yugoslav Republic of Macedonia]