Joint Submission

INTERNATIONAL FINANCIAL ARCHITECTURE, DEBT AND THE RIGHT TO EDUCATION

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Name of the person/country/entity submitting information	**A joint submission by** The Government Revenue and Development Estimation (GRADE) team at the Universities of St Andrews and Leicester Center for Economic and Social Rights (CESR) The Grown too Quick Foundation (GTQF**)**

Section II. Role of the international financial architecture

1. Cross-border constraints on maximum available resources

To ensure that every child has the right to education, financing is critical, and governments are obligated to use their maximum available resources (MAR) to ensure that education is adequately funded and implemented effectively[1].

However, many governments cannot use their MAR owing to cross-border constraints, including profit shifting and tax evasion, onerous debt service, fiscal policy recommendations, and monetary policy and financial recommendations (Figure 1 for a schematic representation).

[1] Balakrishnan R, Elson D, Heintz J, Lusiani N (2011) Maximum Available Resources & Human Rights: Analytical Report. https://peri.umass.edu/wp-content/uploads/joomla/images/publication/marreport.pdf

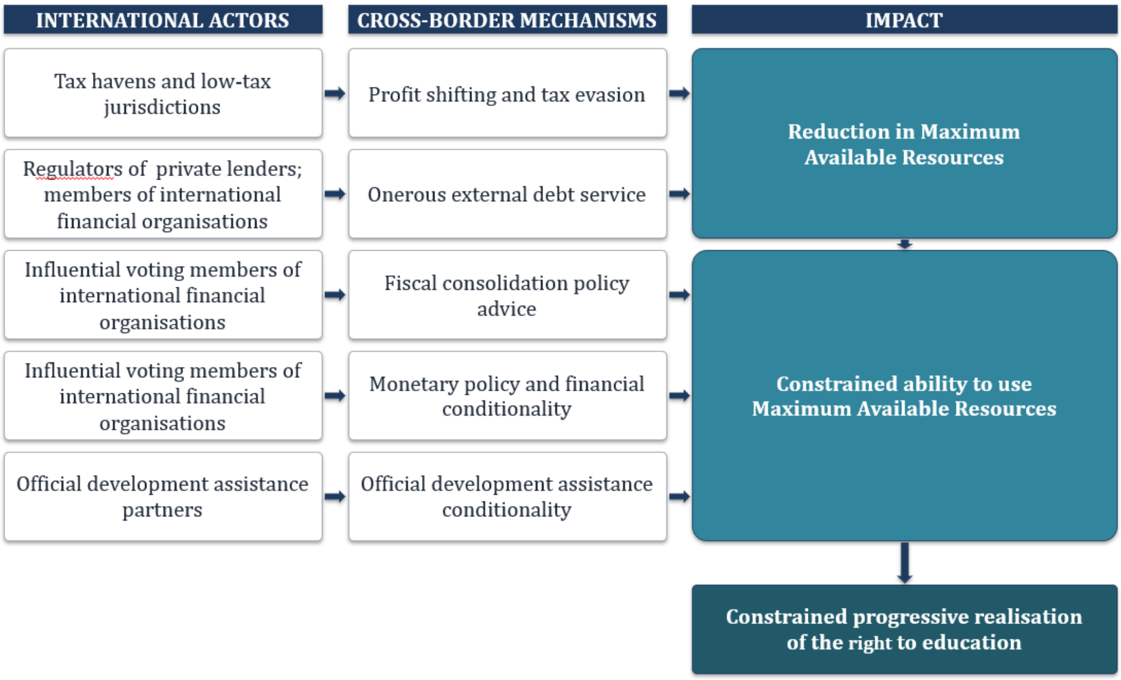

Figure 1. Cross-border constraints on Maximum Available Resources for the right to education

2. Extraterritorial Obligations

International human rights law recognises extraterritorial obligations to respect, protect, and fulfil human rights beyond borders. Although not legally enforceable, the Maastricht Principles on **Extra-Territorial Obligations (ETOs)** were developed to clarify human rights obligations of states in an increasingly globalised world (Experts in International Law, 2011; De Schutter et al., 2012). Within the framework of ETOs, there are three potential sources of international responsibility (Erdem Türkelli, 2022).

- **Failure to regulate non-state actors**, such as multinational corporations headquartered within the state, whose cross-border activities, such as aggressive tax avoidance, reduce a government's MAR.
- **Direct acts or omissions with fiscal implications**, including failures to regulate private lenders whose practices foreseeably constrain states' ability to mobilise and allocate MAR,
- **Influence within international organisations,** including where states exercise significant voting power or decision-making authority capable of shaping policies with foreseeable implications for the mobilisation of MAR**.**

3. Foreseeable harm

Treaty commitments, such as membership of the UNCRC, are the basis for ETOs, but beyond this, there must be both **foreseeable harm** and a sufficient basis for the attribution of responsibility for that harm. The identification of harm presents challenges because causation is rarely direct or immediate in complex global systems. However, international responsibility does not require proof of harm with absolute certainty. Standards such as foreseeability allow for reliance on probabilistic evidence when direct causal chains are difficult to isolate. We submit that counterfactual econometric modelling is a methodologically rigorous way to estimate how cross-border constraints

resulting in changes in government revenue per capita, translates into changes in rights-relevant outcomes, including the right to schooling (Hall and O'Hare, 2023). The Government Revenue and Development Estimation (GRADE) tool models the non-linear relationship between revenue and spending efficacy (when revenue is both very low or very high, changes in revenue have less impact) and assumes that governments will allocate additional revenue in similar proportions to historical spending. The effective use of government revenue to achieve outcomes depends on the quality of governance, which the GRADE model includes using the six Worldwide Governance Indicators.
GRADE tool has been used to estimate the impact of lost public revenue on outcomes such as school attendance, teacher to school age population levels, and other public services that enable children to access and benefit from education, providing meaningful numbers into otherwise abstract impact assessments (Hall and O'Hare, 2023, 2024).

Section III. Impact on education systems and programmes

4. Question. To your knowledge, how has lack of fiscal space and/or interaction with the International Financing Architecture (World Bank, MDBs and the IMF) impacted specific education programmes, education system components or policies, and subsequently affected public schools, their teachers and learners – especially more marginalized groups?

We provide evidence in the form of modelled estimates of the impact of external debt service on fiscal space using Debt Justice data, using the average debt service data, 2020-2024.[2] We find that if these 121 low-, lower-middle-, and upper-middle-income countries had additional revenue equivalent to their external debt service over the years 2020-2026, an additional 9 million children would be in school every day, and there would be 900,000 additional teachers in post. Cumulatively, over the years 2020-2026, more than **60 million extra child school years** will be completed (Table 1).

See an interactive visualisation showing the potential of external debt cancellation, by country, 2020–2026, for 121 low- and middle-income countries for education. [3]

Furthermore, we submit that the right to education impact assessments should include not just whether education is provided (i.e. school attendance; qualified teachers) but also the provision of the services that enable children to benefit from it, such as social protection for children, electricity, basic water, and sanitation(see Table 1 and the online visualisation).

Further, to see the benefit for African countries for education if external debt service is capped at 5%, 10%, and 14%, see Reforming the Global Financial Architecture, at the African Centre for Economic Transformation, (ACET)[4].

[2] Debt Justice (2026) Debt Justice| Available at: https://debtjustice.org.uk/
[3] See the GRADE External Debt Cancellation Tool
[4] The African Centre for Economic Transformation (ACET) Reforming the Global Financial Architecture https://acetforafrica.org/reforming-the-global-financial-architecture/

Table 1. The right to education - the potential of reducing external debt

Cumulative additional child school years (2020–2026)	**60,686,929**
Cumulative indicator	**Cumulative 2020-2026**
The cumulative number of additional child school years (primary school)	21,685,351
The cumulative number of additional child school years (lower secondary school)	17,792,893
The cumulative number of additional child school years (upper secondary school)	21,208,684
The cumulative number of additional child school years, all levels	60,686,929

Additional children in education in 2026	**8,996,624**
The number of additional children in primary education each year	3,246,345
The number of additional children in lower secondary education each year	2,643,986
The number of additional children in upper secondary education each year	3,106,293
The number of additional children in education each year, all levels	8,996,624
Education — teachers	
The number of additional primary-school teachers each year	453,849
The number of additional lower-school teachers each year	213,038
The number of additional upper-school teachers each year	235,998
The number of additional teachers each year, all levels	902,885
Social protection and infrastructure	
The number of additional children (<18) with access to social protection each year	19,625,074
The number of additional children (<18) with access to basic water each year	15,394,295
The number of additional children (<18) with access to basic sanitation each year	25,903,325
The number of additional children (<18) with access to electricity each year	20,583,640
The number of additional children (<18) with access to clean fuels each year	32,147,861

Section VI. Reform of the international financial architecture

5. Question. What reforms to international debt governance and macroeconomic policy frameworks would better enable States to fulfil their obligations regarding the right to education, including the duty to mobilize and allocate the maximum of available resources?

Debt service is fundamentally a human rights issue because it directly shapes the fiscal space available for governments to fulfil economic and social rights, including the right to education (Lumina, 2013). Like taxation, debt service impacts rights via several pathways: the revenue available for public services, the redistributive capacity of states, the regulatory capacity, and governments' ability to represent and respond to the needs of their populations (O'Hare and Hall, 2024). Excessive external debt service impedes states from mobilising and allocating their MAR to education. This constraint is often amplified by the policy conditionalities attached to loans and debt restructuring arrangements, particularly those requiring fiscal consolidation or reductions in public expenditure.

The evidence presented here suggests that external debt services cause foreseeable and quantifiable harm to the right to education. However, assigning responsibility for these harms remains challenging because contemporary debt governance remains highly fragmented. Creditors include private lenders, bilateral creditors, and multilateral financial institutions, and lending arrangements are often opaque and extend over long periods. This diffusion of responsibility weakens accountability for the human rights impact of debt-related policies on children's right to education.

To address these challenges, reforms in international debt governance should strengthen human rights accountability mechanisms within lending and debt restructuring processes. Principle 13 of the Guiding Principles on Human Rights Impact Assessments of Economic Reforms explicitly states that State Parties should assess the extraterritorial impacts of their laws, policies, and practices (Bohoslavsky, 2020). Similarly, Principle 18 emphasises the importance of conducting *ex ante* and *ex post* human rights impact assessments to evaluate the foreseeable and actual impacts of economic policy reforms. Such assessments should be mandatory components of sovereign lending, IMF-supported programmes, and debt restructuring negotiations.

Human rights obligations require that states—and the international financial institutions in which they participate—avoid policies that undermine the capacity of governments to fulfil core economic and social rights. States that are members of international financial institutions must ensure that these institutions do not impair other states' abilities to meet their human rights obligations (Mysler et al., 2026). Modelling tools, such as GRADE, provide a practical mechanism for quantifying the human rights impact of cross-border constraints on MAR. This creates a more evidence-based and transparent process for evaluating direct acts or omissions and acts or omissions as members of international organisations where a state holds membership or voting power and can exercise influence.

More broadly, human rights obligations require that states and the international institutions in which they participate avoid policies that undermine the capacity of governments to fulfil core economic and social rights. Embedding this principle into sovereign lending, debt restructuring negotiations, and conditionality frameworks would help align global economic governance with the protection of the right to education.

CITED:

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