SPECIAL PROCEDURES
UNITED NATIONS
HUMAN RIGHTS COUNCIL

Open letter by the Independent Expert on foreign debt, other international financial obligations and human rights to the Security Council on the current war in the Persian Gulf

This statement is addressed to the Security Council in relation to the ongoing military assaults on Iran by the United States and Israel. The matters to which I draw urgent attention are no longer confined to the domain of humanitarian concern or regional geopolitics: they are matters of profound and immediate consequence for the international financial architecture, for States' capacity to discharge their human rights obligations, and for the structural integrity of sovereign debt obligations across both the Global North and the Global South.

The coordinated military strikes launched on 28 February 2026 by the United States and Israel against Iran, and the regional escalation conducted thereafter, have produced consequences of an order that transcend the bilateral dimension of the conflict. The Strait of Hormuz through which approximately 20 million barrels of oil and petroleum products transit daily,[1] representing roughly 20% of the world's seaborne oil trade and an equivalent proportion of global liquefied natural gas (LNG) exports has been rendered effectively impassable.[2] Tanker traffic has declined by an estimated 70%, with over 150 vessels anchored outside the Strait.[3] The world's three largest container shipping operators: Maersk, CMA CGM, and Hapag-Lloyd have suspended transits.[4] The threat of Houthi attacks in the Red Sea may force the rerouting of additional commercial traffic around the Cape of Good Hope, adding weeks to transit times and compounding the global surcharge on shipping.

The International Energy Agency has characterised this disruption as the *'greatest global energy and food security challenge in history,'*[5] and the largest supply disruption to the oil market since the energy crisis of the 1970s. These are not rhetorical formulations: they are structural facts with direct and quantifiable consequences for the fiscal stability of States and the economic rights of their populations.

I. The Fiscal and Economic Architecture of the Crisis

The closure of the Strait of Hormuz has generated commodity price shocks of a severity not witnessed in the contemporary era. Brent crude oil prices surpassed $100 per barrel on 8 March 2026 for the first time in four years,[6] subsequently rising to a peak of $126[7] representing an increase of approximately

[1] The International Energy Agency, Strait of Hormuz: Factsheet, https://www.iea.org/about/oil-security-and-emergency-response/strait-of-hormuz
[2] US Congress, https://www.congress.gov/crs-product/R45281
[3] Reuters, https://www.reuters.com/business/energy/hundreds-ships-drop-anchor-middle-east-gulf-us-war-iran-escalates-data-shows-2026-03-01/
[4] Lloyd's List, https://www.lloydslist.com/LL1156478/Iran-attacks-prompt-Red-Sea-rethink-as-box-shipping-exits-Strait-of-Hormuz#:~:text=Mediterranean%20Shipping%20Company%2C%20Hapag%2DLloyd,statement%20issued%20on%20Sunday%20afternoon.
[5] https://www.bbc.com/audio/play/p0n7yqh5
[6] Financial Times, https://www.nytimes.com/2026/03/08/business/energy-environment/oil-100-dollars-barrel.html
[7] https://www.mexc.com/crypto-pulse/article/iran-war-2026-explained-96953

90% from pre-conflict levels in the region of $65-$70.[8] Analysts have modelled a worst-case scenario in which prices could reach $150 per barrel if the disruption is sustained.[9] Qatar's LNG export facilities at Ras Laffan which supply approximately 80% of Qatar's LNG to Asian markets and constitute 20% of global seaborne LNG trade have been severely disrupted.[10] European natural gas benchmarks (TTF) have nearly doubled from EUR30 per megawatt-hour to over EUR60.[11] Fertiliser supplies, of which nearly 50% of global urea and sulphur exports transit through the Strait,[12] are acutely constrained at the commencement of the Northern Hemisphere planting season, a convergence with devastating medium-term implications for agricultural output and food prices globally. The World Food Programme has warned of significant and lasting increases in global food prices, that can push an additional 45 million people into acute hunger due to rising food and fuel costs and supply chain disruptions.[13]

The financial consequences are cascading through the global economy in precisely the manner most damaging to States already positioned at the margins of debt sustainability. War-risk insurance premiums for ship transits through the Strait increased from 0.25% to between 0.375% and 0.5% of vessel insurance value per transit, raising the per voyage for very large crude carriers from approximately $250,000 to as much as $400,000.[14] Airline routes have been disrupted across the Middle East, with Dubai International Airport, one of the world's busiest, temporarily halted by drone strikes. Cargo and passenger flows critical to the remittance economies of South and Southeast Asia have been severely curtailed. The MSCI All-Country World Index[15] has lost more than 5% since the conflict's commencement.[16] Global equity markets have declined, bond yields have risen in anticipation of sustained inflationary pressure, and currencies of commodity-importing nations have weakened producing a compounding terms-of-trade shock for precisely those States whose capacity to service external debt was already under strain.

II. Sovereign Debt Sustainability and the Risk of Debt Distress

The Security Council must must treat as a matter of urgent concern, the direct transmission mechanism between this military conflict and sovereign debt distress in the developing world. The logic is neither complex nor speculative as:

- Higher energy prices increase import costs for net energy-importing States;
- Deteriorating terms of trade reduce export earnings and foreign exchange reserves;
- A weakened reserve position diminishes the capacity to service external debt;
- Central banks in the Global North, compelled to address inflationary pressures generated by the supply shock, will maintain or increase interest rates, thereby raising the cost of new borrowing and the burden of variable-rate debt; and

[8] Barron's, https://www.barrons.com/livecoverage/stock-market-news-today-031026/card/oil-prices-likely-to-remain-higher-than-pre-middle-east-conflict-9AuEA4eHQabAZ4zMzHpk
[9] The Economic Times, https://economictimes.indiatimes.com/markets/stocks/news/qatar-warns-crude-oil-could-hit-150-per-barrel-if-mideast-war-continues-what-it-means-for-stock-markets/articleshow/129147445.cms?from=mdr
[10] Energy News, https://energynewsbeat.co/if-the-qatar-lng-is-100-taken-off-the-market-how-will-the-eu-survive/
[11] Trading Economics, https://tradingeconomics.com/commodity/eu-natural-gas
[12] The Fertiliser Institute, https://www.tfi.org/media-center/2026/03/04/tfi-strait-of-hormuz-closure-impacts-to-fertilizer/
[13] https://www.wfp.org/stories/why-middle-east-conflict-threatens-record-levels-hunger
[14] https://oilprice.com/Latest-Energy-News/World-News/Shipping-Costs-Surge-as-Insurers-Drop-War-Risk-Protection-in-Gulf.html
[15] This index captures large and mid cap representation across Developed Markets and Emerging Markets countries; https://www.msci.com/indexes/index/892400
[16] https://www.abnamroprivatebanking.be/en/news/investor/global-weekly/geopolitical-tensions-drive-stock-markets.html

- Capital flight from emerging and frontier markets, which is the characteristic risk-off response of international investors to geopolitical uncertainty, places further pressure on exchange rates and fiscal balances.

Each of these mechanisms is already operative.

The Centre for Global Development has identified a number of States at acute risk.[17] Egypt, which must roll over in excess of $4 billion in outstanding Eurobonds within the next twelve months while simultaneously managing currency depreciation, fuel subsidy costs, and the near-total collapse of Red Sea Canal revenues, may face a state of near-emergency.[18] Jordan and Pakistan each face external bond rollovers of approximately one billion dollars.[19] Zambia, already in post-default restructuring, devotes in excess of 10% of its gross domestic product to debt service and more than 2.5% to fertiliser imports, placing it in a position of acute compound vulnerability.[20] Djibouti's Finance Minister has publicly warned that the conflict 'will bring severe economic consequences for developing countries,' and that small States dependent on maritime trade 'risk being pulled into deeper economic uncertainty as external shocks ripple across the region and Africa.'[21]

It is my considered assessment that the risk of multiple simultaneous sovereign defaults in highly indebted developing States, including those currently in debt restructuring under the G20 Common Framework, has materially increased as a direct consequence of this conflict. The human rights implications of sovereign default are well-established: they manifest in the compression of public expenditure on health, education, social protection, and the physical infrastructure on which economic and social rights depend. A debt crisis precipitated not by the fiscal irresponsibility of the affected State but by an exogenous military conflict in which that State played no part raises the most fundamental questions of equity and international legal obligation. States have, under international law, obligations of international assistance and cooperation. Those obligations do not become optional when the mechanism of harm is military rather than economic.

III. The Role of Credit Rating Agencies and the Procyclical Risk

The Security Council should also direct its attention to the role of credit rating agencies in this context. Moody's, Standard & Poor's, and Fitch Ratings, the three entities whose assessments govern access to international capital markets for the vast majority of the world's sovereign borrowers, operate on methodologies that are, by design, procyclical in their application to developing States. A commodity-shock-induced deterioration in a State's fiscal position will, under standard rating methodologies, trigger a negative outlook or outright downgrade, which raises borrowing costs at precisely the moment when additional financing is most necessary and least affordable. This procyclical dynamic has been exhaustively documented in the literature on sovereign debt, and its application to the present crisis is direct and foreseeable.

It bears noting that even the United States itself no longer commands the AAA rating it held for the majority of its existence as an issuer of sovereign debt. Moody's downgraded the United States to Aa1 in May 2025, joining S&P and Fitch in a collective assessment of fiscal deterioration.[22] The cost of the military campaign being conducted by the United States, combined with the macroeconomic

[17] https://www.cgdev.org/blog/will-iran-war-be-breaking-point-vulnerable-countries
[18] Ibid
[19] Ibid
[20] Ibid
[21] https://www.aljazeera.com/news/2026/3/8/iran-war-threatens-prolonged-impact-on-energy-markets-as-oil-prices-rise
[22] https://ratings.moodys.com/ratings-news/443154

consequences it has generated for allied economies, will further strain the fiscal trajectories of States whose bond markets are already under pressure. The United Kingdom is projected to experience inflation exceeding 5% in 2026, with sovereign borrowing costs correspondingly elevated.[23] European industrial sectors, including chemicals and steel, are imposing cost surcharges of up to 30% in response to surging energy input costs, with economists at the European Central Bank warning of the risk of technical recession in major energy-dependent economies including Germany and Italy.[24] If these conditions obtain in the Global North, in States possessing the full range of monetary policy instruments, reserve currency status, and deep domestic capital markets, then the Security Council must consider what they portend for States in the Global South that possess none of these buffers.

This mandate calls upon the Security Council to pronounce itself urgently on the establishment of a coordinated international mechanism to address the debt service consequences of the crisis for developing States, building upon the architecture of the Debt Service Suspension Initiative and the G20 Common Framework and recommending that the IMF's Rapid Financing Instrument should be deployed at scale.

IV. The Destruction of Civilian Infrastructure and the Right to Water, Food, and an Adequate Standard of Living

The Security Council has before it a set of facts concerning the targeting of civilian infrastructure that this mandate regards as bearing directly on the human rights of millions of persons across the region and beyond. On 7 March 2026, Iran accused the United States of attacking a freshwater desalination plant on Qeshm Island, disrupting water supplies to thirty villages.[25] On 8 March 2026, Bahrain confirmed that a drone attack caused material damage to a desalination plant on its territory.[26] The Independent International Fact-Finding Mission on Iran reported to the Human Rights Council that residential areas, multiple oil depots, and a desalination plant had been 'struck, damaged and destroyed,' causing 'severe harm' to civilians.[27] The same report documented the destruction of a school in Minab, killing over 168 persons, the majority of them girl students.[28] The Special Rapporteur on the situation of human rights in the Islamic Republic of Iran recorded that hospitals and World Heritage Sites had been destroyed.[29]

The legal framework governing these acts is unambiguous. Article 14 of Additional Protocol I to the Geneva Conventions of 1949 prohibits attacks on objects indispensable to the survival of the civilian population, including foodstuffs, agricultural areas, and drinking water installations.[30] The United Nations University Institute for Water has described attacks on desalination infrastructure as 'absolutely a war crime.'[31] In a region where desalination supplies between 70-90% of potable water in States including Kuwait, Oman, Saudi Arabia, and Bahrain and where GCC member States account for approximately 60% of global desalination capacity, the strategic targeting, or even the reckless endangerment, of this infrastructure constitutes an attack not merely on a physical asset but on the most

[23] https://www.bloomberg.com/news/articles/2026-03-09/bank-of-england-hit-by-5-inflation-risk-from-war-in-iran
[24] https://za.investing.com/news/economy-news/deutsche-bank-warns-severe-energy-shock-could-push-euro-zone-into-recession-4163112
[25] https://www.csis.org/analysis/could-iran-disrupt-gulf-countries-desalinated-water-supplies
[26] https://www.aljazeera.com/news/2026/3/8/bahrain-says-water-desalination-plant-damaged-in-iranian-drone-attack
[27] https://www.ohchr.org/en/press-releases/2026/03/statement-independent-international-fact-finding-mission-islamic-republic
[28] Ibid
[29] https://www.ohchr.org/sites/default/files/documents/hrbodies/hrcouncil/sessions-regular/session61/advance-version/a-hrc-61-59-auv.pdf
[30] https://www.ohchr.org/en/instruments-mechanisms/instruments/protocol-additional-geneva-conventions-12-august-1949-and-0
[31] https://www.nytimes.com/interactive/2026/03/14/climate/iran-war-water-supply-desalination.html

fundamental substrate of human life. The right to water, affirmed by the General Assembly in Resolution 64/292[32] and grounded in the obligations of the International Covenant on Economic, Social and Cultural Rights, cannot survive the systematic destruction of the infrastructure through which it is delivered.

This mandate notes with equal concern the environmental and public health consequences of strikes on oil infrastructure. Multiple strikes on Iranian oil storage and refinery facilities have produced toxic combustion plumes.[33] The UN has warned that chemical contamination risks entering food and water supplies through precipitation, with residents reporting oily droplets settling on buildings and health authorities urging avoidance of outdoor activity after rainfall.[34] Tehran, already described by analysts as approaching 'Day Zero' in its freshwater supply with dams at historic lows and aquifers over-exploited is being exposed to compounding environmental harm at precisely the moment of its greatest vulnerability.[35] The destruction of cultural heritage sites, for which reports have also emerged, compounds the long-term human cost and implicates the UNESCO Convention for the Protection of Cultural Property in the Event of Armed Conflict.

The Security Council has, in Resolution 2334 and in prior resolutions relating to the protection of civilians in armed conflict, affirmed the obligations of all parties to respect international humanitarian law.[36] This mandate calls upon the Council to urgently address the pattern of attacks on civilian infrastructure in the current conflict, to demand adherence by all parties to the prohibitions of customary international humanitarian law, and to ensure that the UN's own accountability mechanisms are deployed in a manner consistent with the universality that is the bedrock of the international legal order.

V. Financing Peace: The Security We Need

In September 2025, the Secretary-General of the United Nations, responding to a request in the 2024 Pact for the Future, published the report The Security We Need: Rebalancing Military Spending for a Sustainable and Peaceful Future.[37] That report documented, with stark precision:

- That global military expenditure reached a record $2.7 trillion dollars in 2024, the tenth consecutive year of growth, representing an increase of more than 9% from 2023 and the steepest annual increase since the Cold War.
- This figure is equivalent to $334 for every person on Earth.
- It is nearly 13 times the total official development assistance provided by the world's wealthiest nations.
- It is 750 times the regular budget of the United Nations.
- Against this backdrop, only 1 in 5 Sustainable Development Goal targets remains on track. The global development financing gap stands at $4 trillion.
- A 1% increase in military spending in low- and middle-income countries is statistically associated with an almost equal reduction in public health expenditure.

The Secretary-General's conclusion bears direct quotation in the context of the present crisis: 'The evidence is clear: excessive military spending does not guarantee peace. It often undermines it fuelling arms races, deepening mistrust and diverting resources from the very foundations of stability.' This

[32] https://digitallibrary.un.org/record/687002/files/A_RES_64_292-EN.pdf
[33] https://news.un.org/en/story/2026/03/1167106
[34] Ibid
[35] https://trinitamonti.org/2026/01/07/iran-day-zero-emergency/
[36] https://docs.un.org/en/s/res/2334(2016)
[37] https://www.un.org/en/peace-and-security/the-true-cost-of-peace

observation acquires particular force when set against the reality that the United Nations Peacekeeping budget which at $5.38 billion for the 2025-26 cycle represents less than half of one per cent of global military expenditure has been reduced, with missions directed to identify cuts of 15%, leading to a 25% reduction in uniformed and civilian peacekeeping personnel. The United States, one of the parties to the current conflict, has failed to pay its assessed peacekeeping contributions, directly undermining the capacity of this organisation to maintain international peace and security. Billions are spent on the instruments of destruction while the architecture of peace is starved of resources. This constitutes a contradiction that the Security Council is institutionally positioned to address, and from which it cannot be absolved of responsibility.

The conflict that now threatens to deepen debt distress across the developing world, to extinguish the right to water for millions of persons in the Gulf region, and to push the global food system toward another crisis, is generating costs that will be borne disproportionately by the poorest and most vulnerable. Every barrel of crude oil withheld from global markets by the closure of the Strait of Hormuz translates into higher prices for fuel, food, and fertiliser in the most food-insecure countries on earth. Every basis point by which central banks in the Global North raise interest rates in response to energy-driven inflation translates into additional debt service burdens for countries that had no part in commencing this conflict.

Further, the fiscal vulnerability exposed by the current conflict is not merely a product of immediate market volatility but reflects deeper structural asymmetries in the international financial architecture that long predate the present crisis. In my report on Financing peace and financing war to the General Assembly on the effects of foreign debt on human rights (A/80/173),[38] I observe that foreign debt, international financial obligations and the financing process can be and are simultaneously a cause, a tool and a symptom of conflict, a formulation that bears directly on the position of States such as Egypt, Jordan and Pakistan, whose debt service obligations now collide with an externally generated energy shock over which they exercise no control. The report situates this within a broader pattern of structural imbalance:

- In 2023, the global economic impact of violence reached $19.1 trillion, equivalent to 13.5% of global GDP and approximately $2,380 per person, a figure that exists in grotesque disproportion to the $49.6 billion allocated globally to peacekeeping and peacebuilding in the same year, representing less than 0.6% of global military expenditure.
- Global military spending itself reached an unprecedented $2.443 trillion in 2023, posting the steepest annual increase since 2009, while by late April 2025 only $4.19 billion, a mere 9% of the $46.08 billion required to assist 188 million people across 72 countries had been received.
- For States in the position of Egypt, Jordan and Pakistan, these aggregate figures translate into a concrete structural trap: the austerity conditionalities historically attached to IMF programme support have, as my report documents, provoked mass protests and political instability in Bangladesh, Kenya and Pakistan-administered Kashmir, whilst an analysis of 89 emerging and developing countries grey-listed between 2000 and 2017 found that capital inflows declined on average by 7.6% of GDP and foreign direct investment by 3%, precisely the capital flight dynamic now being observed across the region.
- With 85% of the global population already living under conditions of austerity, the current crisis does not create vulnerability so much as render it visible, exposing the extent to which the international financial architecture has consistently prioritised debt recovery and conditionality

[38] https://docs.un.org/en/A/80/173

over the fiscal space necessary for developing States to absorb exogenous shocks without cascading social and political consequences.

VI. Maritime Law and the Freedom of Navigation

The Security Council's attention is also directed to the implications of the effective closure of the Strait of Hormuz for the international law of the sea. Under the United Nations Convention on the Law of the Sea (UNCLOS), to which the overwhelming majority of States are party, Article 38 guarantees the right of transit passage through straits used for international navigation. The Strait of Hormuz, twenty-one miles at its narrowest point and comprising the principal maritime route for energy trade between the Persian Gulf and global markets, is precisely such a strait. The Iranian Islamic Revolutionary Guard Corps has conducted 21 confirmed attacks on merchant ships as of 12 March 2026. The United Nations Convention on the Law of the Sea does not recognise belligerent prerogative as a basis for denying transit passage to commercial vessels. This mandate notes that the denial of transit passage has direct and severe consequences for the realisation of economic, social, and cultural rights across importing States and is, in this sense, a matter of human rights concern as much as it is a matter of international trade law.

VII. Appeal for Consideration

In light of the foregoing, I respectfully address the following specific appeals to the Security Council, which I submit constitute obligations arising from the Council's responsibilities under Chapters VI and VII of the United Nations Charter, read together with the Council's sustained engagement with the human rights dimensions of international peace and security:

i. First, the Security Council is requested to take immediate action to bring about a cessation of hostilities and a political resolution to the conflict. The scale of economic and humanitarian harm being inflicted upon third-party States, States that are not parties to the conflict, constitutes in itself a sufficient basis for the Council's intervention under its Charter mandate to maintain international peace and security. The costs of inaction are being borne by the poorest people in the world, and they are rising with every day that the war continues.

ii. Second, the Council is requested to urgently call upon the International Monetary Fund, the World Bank, and the G20 Presidency to convene an emergency consultation on the debt service implications of the crisis for highly indebted developing States, and to expedite the deployment of rapid financing facilities and the suspension of debt service obligations for the most vulnerable States. This is not charity: it is the discharge of an obligation of international assistance and cooperation expressly recognised in Article 2(1) of the International Covenant on Economic, Social and Cultural Rights.

iii. Third, the Council is requested to issue an immediate demand, addressed to all parties to the conflict without exception, for the strict observance of international humanitarian law as it relates to the protection of civilian infrastructure, including water supply installations, power generation facilities, and energy infrastructure upon which civilian populations depend and to make clear that accountability mechanisms will be activated in response to established violations. The Human Rights Council's Independent Fact-Finding Mission and Special Rapporteur have already placed relevant documentation before the United Nations system. The Security Council's silence in this regard is not neutrality: it is acquiescence.

iv. Fourth, the Council is requested to initiate, through the Secretary-General, an assessment of the structural impact of the conflict on the capacity of Member States to meet their human rights obligations, particularly in relation to the rights to food, water, health, and an adequate standard of living, with particular reference to the debt sustainability implications documented in this communication. This assessment should inform an emergency session of the General Assembly and feed into the forthcoming Financing for Development process.

v. Fifth, the Council is requested to reaffirm and give operational effect to the conclusions of the Secretary-General's September 2025 report on military spending and the SDGs, by demanding a shift in the global resource allocation calculus toward diplomacy, development, and the institutions of international peace, including the immediate reinstatement of assessed peacekeeping contributions by all Member States in arrears.

I remain available to brief the Security Council or any of its subsidiary bodies on the matters raised in this open letter, and to provide such further documentation and analysis as may assist the Council in its deliberations. The urgency of the situation does not permit delay. The human cost of this conflict is being borne by people who had no voice in its commencement and no capacity to shield themselves from its consequences. The Security Council was constituted precisely to prevent this. I call upon it now to act accordingly.

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