

Open Letter to G20 Finance Ministers, Central Bank Governors and the IMF: Civil Society Organizations Call for Principles for Fair Channeling of Special Drawing Rights

As the pandemic exacerbates multiple crises in developing countries, Special Drawing Rights (SDRs) are a crucial option to help finance the COVID response and hasten an equitable and inclusive economic recovery. With the SDR distribution being proportional to IMF countries' quotas, the new allocation of US\$650 billion does not ensure sufficient SDRs go to developing countries. This is why many have been calling for an allocation in the order of US\$3 trillion. Moreover, advanced economies are in less need of SDRs given their access to a wider array of monetary and financial tools for the response and recovery. Thus, it is essential that the recent allocation be quickly followed by rechanneling a significant portion of advanced economies' SDRs to developing countries.

We strongly believe that successful and equitable recovery is contingent on transparency and a participatory process inclusive of civil society in all countries. This also applies to international spaces making decisions on SDR channeling mechanisms, including the G20 and the IMF, where civil society has not had, so far, sufficient opportunities to engage on this matter.

We urge you to ensure SDR channeling options align with a basic framework of principles that many academics, experts and civil society colleagues around the world echoed over recent months.

THE CHANNELING OPTIONS SHOULD:

1. Provide debt-free financing, so it does not add to unsustainable debt burdens of developing countries, whose annual external public debt payments are projected to average US\$300 billion over 2021 and 2022. Grant-based financing is ideal but, if additional loans are to be offered, then maximum concessionality is critical (zero interest and lengthy repayment terms with extended grace periods).
2. Refrain from tying transfers to policy conditionality (directly or indirectly). Conditionality will lengthen the time it takes to negotiate such financing, could force countries into adopting difficult adjustment or austerity measures; or put the financing beyond reach for countries unable to comply with such conditions.
3. Be accessible to middle-income countries. These countries have persistently been left out of debt relief initiatives and concessional financing, and should not be excluded from yet another financial assistance option when many of them face deep debt distress and challenging pandemic vulnerabilities.
4. Include transparency and accountability safeguards on both providers and recipients of such financing in the spirit of democratic ownership, strengthening independent scrutiny, participation and accountability to citizens.

5. Ensure that SDR contributions are additional to existing ODA and climate finance commitments. Only SDRs channelled to developing countries as grants should count as ODA, or, where appropriate, against the climate finance goal of US\$100 billion.

6. Prioritize SDR use that expands international grant funding for combatting the pandemic through budget support for public services and the public sector workforce in health and education, for social protection and other needs. Grants can also target promotion of a fair recovery that supports climate justice, and tackles economic and gender inequality, including the unpaid care burden that women bear, and the COVID-19 pandemic exacerbated.

We also call for agreement on a global repository to report on channeled SDRs. This will help limit fragmentation and be an important measure for accountability of commitments and tracking the overall impact of SDRs, including for ongoing learning.

We are aware that the Poverty Reduction and Growth Trust (PRGT) is being considered as a favoured option for SDRs channeling; however, it is important to note that the PRGT does not reflect the principles of being debt-free, conditionality-free, and accessible to all developing countries. We urge you to consider ways to improve the PRGT option, including channeling via its emergency financing vehicle (Rapid Credit Facility).

We also encourage you to identify SDR channeling mechanisms that support debt cancellation, including through the Catastrophe Containment and Relief Trust, and to consider alternative options which align best with the principles stated above.

To create options to scale up SDR channeling volumes and reach more developing countries we encourage you to seriously discuss alternative options beyond the PRGT and beyond the IMF more broadly. However, other rechanneling vehicles under discussion, such as a Resilience and Sustainability Trust and Multilateral Development Banks, still appear far from embodying these principles.

Finally, neither the initial SDR allocation nor the channeling of SDRs can be a substitute for the urgent implementation of debt relief measures that benefit both low- and middle- income countries, especially to ensure that the additional resources are not directed to repay external private and other creditors.

September 30th, 2021

SIGNATORIES

REGIONAL / GLOBAL ORGANISATIONS

1. Access to Human Rights International AHRI
2. Action Aid International
3. ACTIONS PLURIELLES
4. Advocacy Initiative for Development (AID)
5. Africa Network for Environment and Economic Justice(ANEEJ)
6. African Forum and Network on Debt and Development AFRODAD
7. African Women's Development and Communication Network(FEMNET)
8. AidWatch Canada
9. Alliance for Sustainable Development Organization (ASDO)
10. Arab Watch Coalition
11. Associated Country Women of the World
12. Association Biowa
13. AULA TIDEs UN SDGs Action Education & Programming
14. Blue Ridge Impact Consulting
15. Both ENDS
16. Bretton Woods Project
17. Burundi Rugby League Rugby a XIII Cooperative, Central & East Africa
18. Campaign for Human Rights and Development International CHRDI, Sierra Leone West Africa
19. Campaña Latinoamericana por el Derecho a la Educación (CLADE)
20. Candid Concepts Development
21. Caritas Ghana
22. Center for Economic and Social Rights (CESR)
23. Christian Aid
24. Civil Society Action Coalition on Education for All
25. Coalition for Health Workers (HRH PLUS)
26. Confederation of Indonesia People Movement (KPRI)
27. Coordinadora de Organizaciones de Desarrollo
28. DAWN (Development Alternatives with Women for a New Era)
29. Derecho Ambiente y Recursos Naturales DAR
30. Development Alternatives
31. Diverse Voices and Action (DIVA) for Equality
32. Ekumenická akademie (Ecumenical Academy)
33. Equidad de Género: Ciudadanía, Trabajo y Familia
34. Estonian Roundtable for Development Cooperation
35. European Network on Debt and Development EURODAD
36. Feminist Task Force
37. FEMNET

38. FENASSEP/ISP, SINERGIE DES TRAVAILLEURS DU TOGO/STT
39. Fight Inequality Alliance
40. Fight Inequality Alliance, Asia
41. Financial Transparency Coalition
42. FOKUS - Forum for Women and Development
43. Fundacion para Estudio e Investigacion de la Mujer
44. Fundación para la Democracia Internacional
45. Fundacion SES
46. Gender and Development Network
47. Génération Maastricht
48. Geneva Finance Observatory
49. Global Campaign for Education
50. Global Coalition Against Poverty GCAP
51. Global Policy Forum
52. Global Socio-economic and Financial Evolution Network (GSFEN)
53. Global Youth Online Union
54. Health Action International Asia Pacific
55. Indigenous Peoples Global Forum for Sustainable Development, (International Indegeous Platforme)
56. Institute for Economic Justice
57. Institute of the Blessed Virgin Mary - Loreto Generalate
58. Internacional de Servicios Públicos (ISP)
59. International Council for Adult Education
60. International Women's Rights Action Watch Asia Pacific (IWRAP Asia Pacific)
61. Jubilee Debt Campaign
62. Jubilee USA Network
63. Ladies of Great Decorum
64. Latin American Network for Economic and Social Rights -LATINDADD
65. Latinoamérica Sustentable
66. Medicus Mundi Mediterrània
67. Medicusmundi spain
68. Missionary Oblates of Mary Immaculate
69. Mumahhid Family of Greater Jerusalem
70. MY World Mexico
71. NGO CSW LAC
72. Okogun Odigie Safewomb International Foundation (OOSAIF)
73. OXFAM
74. Plateforme française Dette et Développement (PFDD)
75. Red de Justicia Fiscal para América Latina y El Caribe RJFALC
76. Regions Refocus
77. RIPESS

78. SAUDI GREEN BUILDING FORUM
79. Save the Children
80. SEATINI
81. SEDRA, Chile
82. Seed Global Health
83. Servicios Ecumenios para Reconciliacion y Reconstuccion
84. Sisters of Charity Federation
85. Social Justice in Global Development
86. Society for International Development SID
87. Stakeholder Forum for a Sustainable Future
88. Stop the Bleeding Campaign
89. Success Capital Organisation
90. The Kvinna till Kvinna Foundation
91. Third World Network
92. Tripla Difesa Onlus ODV
93. UDA LLP
94. UGANDA DEBT NETWORK
95. UNISC International
96. Unite for Climate Action
97. United Religions Initiative
98. WaterAid
99. Wemos
100. Womankind
101. Women Coalition for Agenda 2030
102. World Future Council
103. World Public Health Nutrition Association
104. Zamara Foundation

NATIONAL ORGANISATIONS

105. AbibiNsroma Foundation, Ghana
106. Academic and Career Development Initiative, Cameroon
107. Africa Development Interchange Network (ADIN), Cameroon
108. Alliance Sud, Switzerland
109. Al-Tahreer Association for Development, Iraq
110. American TelePhysicians, USA
111. Apostle Padi Ologo Traditional Birth Centre, Ghana
112. Asociación Ciudadana por los Derechos Humanos, Argentina
113. Association for Promotion Sustainable Development, India
114. Association of Rural Education and Development Service, India
115. Baghdad Women Association, Iraq
116. Bahrain Transparency

117. Budget Advocacy Network, Sierra Leone
118. Catholic Agency for Overseas Development CAFOD, UK
119. CCFD-Terre Solidaire
120. CEDECAM, Nicaragua
121. Cedetrabajo, Colombia
122. CEICOM, El Salvador
123. Center for Economic and Policy Research, CEPR
124. Centre for Environmental Justice, Sri Lanka
125. Civil Society SDGs Campaign GCAP Zambia
126. CLATE/ULATOC/CTA-A, España
127. Club Ohada Thies, Senegal
128. CNCD-11.11.11
129. Comisión Nacional de Enlace
130. Community Working Group on Health (CWGH), Zimbabwe
131. Conservation and Development Agency CODEA-CBO, Uganda
132. Consumer Unity and Trust Society (CUTS), Zambia
133. Cooperation for Peace and Development (CPD), Afghanistan
134. Corporación CIASE
135. Debt Justice Norway
136. DECIDAMOS. Campaña por la Expresión ciudadana
137. DSW Kenya
138. Economic Justice Network Sierra Leone
139. EMPOWER INDIA
140. ENVIRONICS TRUST, India
141. erlassjahr.de
142. Fair Trade Hellas, Greece
143. Fomento de la Vida- FOVIDA, Peru
144. Foro Social de Deuda Externa y Desarrollo de Honduras - FOSDEH, Honduras
145. Forum Solidaridad Perú
146. Foundation for Environmental Management and Campaign Against Poverty, Tanzania
147. Freedom from Debt Coalition, Philippines
148. Friends of the Earth US
149. Fundación Ambiente y Recursos Naturales (FARN)
150. Fundación Constituyente XXI, Chile
151. Gatef organizations, Egypt
152. GCAP El Salvador
153. GCAP Italia
154. GCAP Rwanda Coalition
155. German NGO Forum on Environment and Development
156. Gestos (soropositividade, comunicação, gênero), Brazil

157. Global Justice Now
158. Global Learning for Sustainability, Uganda
159. Global Responsibility (AG Globale Verantwortung)
160. GreenTech Foundation, Bangladesh
161. GreenWatch Dhaka, Bangladesh
162. Group of Action, Peace and Training for Transformation - GAPAFOT, Central African Republic
163. GWEN Trust, Zimbabwe
164. Help Age, India
165. Institute for Public Policy Research, Namibia
166. Instituto de Estudos Socioeconomicos, Brazil
167. Instituto Equit - Genero, Economia e Cidadania Global, Brazil
168. Instituto Guatemalteco de Economistas, Guatemala
169. Iraqi center for women rehabilitation & employment, Iraq
170. Iraqi Institute for the Civil Development(IICD), Iraq
171. Jubilee Debt Campaign -UK
172. JUBILEO 2000 RED ECUADOR
173. K.U.L.U.- Women and Development, Denmark
174. Kathak Academy (KA)
175. Kulmiye Aid Foundation, Somalia
176. Lanka Fundamental Rights Organization, Sri Lanka
177. Marikana youth development organisation, South Africa
178. Movimiento Tzuk Kim-pop, Guatemala
179. Myanmar Youth foundation for SDG, Myanmar
180. National Association of Professional Environmentalists(NAPE), Uganda
181. National Campaign for Sustainable Development Nepal
182. National Confederation of Dalit and Adivasi Organisations (NACDAOR), India
183. National Labour Academy, Nepal
184. National Society of Conservationists - Friends of the Earth Hungary
185. NCD Alliance in Georgia
186. Nepal Development Initiative (NEDI), Nepal
187. Network of Journalists Living with HIV (JONEHA), Malawi
188. New Millennium Women Empowerment Organization, Ethiopia
189. NGO Federation of Nepal
190. Nkoko Iju Africa, Kenya
191. Okoa Uchumi Campaign, Kenya
192. ONG Cooperación y Desarrollo, Guinea Ecuatorial
193. ONG Espoir Pour Tous, Côte d'Ivoire
194. Ong FEED, Niger
195. ONG PADJENA, Benin
196. ONG Santé et Action Globale, Togo

197. Organisation des Femmes Aveugles du Bénin
198. Pakistan Development Alliance
199. Pakistan Fisherfolk Forum
200. Pakistan Fisherfolk Forum
201. Pakistan Kissan Rabita Committee
202. Peoples Development Institute, Phillippines
203. POSCO-Agenda 2030 Senegal
204. PROGRÈS SOCIAUX, Benin
205. Rapad Maroc, Morocco
206. REACHOUT SALONE, Sierra Leone
207. REBRIP - Rede Brasileira pela Integração dos Povos, Brazil
208. Recourse, The Netherlands
209. Red Dot Foundation Global, USA
210. Red Dot Foundation, India
211. Red Mexicana de Acción frente al Libre Comercio (RMALC)
212. RENICC Nicaragua
213. RIHRDO (Rural Infrastructure and Human Resource Development Organization)
214. Rural Area Development Programme (RADP), Nepal
215. Rural Infrastructure and Human Resource development Organization (RIHRDO), Pakistan
216. SAFE EMPOWERED COMMUNITIES ASSOCIATION ZAMBIA
217. Sisters of Charity Federation
218. Social Economic and Governance Promotion Centre, Tanzania
219. Solidarité des femmes pour le Développement intégral (SOFEDI), R. D. Congo
220. Somali Youth Development Foundation (SYDF), Somalia
221. Sorouh for Sustainable Development Foundation-SSDF, Iraq
222. Stamp Out Poverty
223. State Employees Federation, Mauritius
224. SUSTAINABLE DEVELOPMENT COUNCIL, India
225. SYNAPECOCI, Côte d'Ivoire
226. Tanzania Coalition on Debt and Development (TCDD)
227. Tax Justice Network US
228. The Institute for Social Accountability, Kenya
229. The Mango Tree, Kenya
230. The Rural Sector Public Institution CBO and Affiliated Entity's With Multiple Distinct Components, Bangladesh
231. Toto Centre Initiative, Kenya
232. Treat Every Environment Special Sdn Bhd, Malaysia
233. Uganda Peace Foundation
234. UIMS, Iraq
235. UndebtedWorld, Greece

236. Union des Amis Socio Culturels d'Action en Developpement (UNASCAD), Haiti
237. Uso Inteligente ASV A.C., México
238. VEILLE CITOYENNE TOGO
239. Wada Na Todo Abhiyan, India
240. WEED - World Economy, Ecology & Development e.V.
241. Western Kenya LBQT Feminist Forum (Lets Be Tested Queens CBO)
242. WIPGG Nigeria
243. WomanHealth Philippines
244. Women in Democracy and Governance (WIDAG), Kenya
245. Working With Women, Cameroun
246. WREPA, Kenya
247. Za zemiata, Bulgaria
248. Za Zemiata, Friends of the Earth Bulgaria
249. Zukunftskonvent Germany
250. Hawad Organization for Relief and Development

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