New Rules for Global Finance

Jubilee USA Network

June 12, 2014

Board of Executive Directors
Office of the Executive Director
International Monetary Fund
1900 Pennsylvania Ave NW, Washington, DC, 20431

Dear Member of the Board**,**

As you are aware, the IMF Executive Board is engaging in conversations around the Fund's Lending Framework and Sovereign Debt policy. During this discussion, we strongly encourage you and your peers on the Board to debate how international debt restructuring can be independent, comprehensive, transparent, predictable, accountable and arbitrated neutrally.

We understand that in initial conversations, solutions are sought to limit or eliminate extreme predatory and hold-out behavior that violate global debt relief policies, debt restructuring and sound operation of the financial system. We welcome your efforts on these extreme issues and your further discussions of supporting solutions to international financial crises.

The global economy is still fragile and recovery remains uneven. Many countries, in an effort to restore economic growth, have sought external financing. This has led to a buildup of sovereign debt. This is a particular concern for emerging markets and developing economies, which have already endured the financial crisis and its subsequent monetary easing, currency fluctuations and speculative activity of investors.

As an Executive Director at the IMF, you understand these problems and the consequences they have for sovereign debt. If countries trying to finance development experience turmoil – either economic or political – and need to restructure their debt, what are they to do?

We need a reliable process to resolve debt crises. We both lead organizations that work to ensure that finance serves all of us, not just the interests of a few. IMF Executive Board discussions must move beyond the position of creditors and consider the positions of those who ultimately pay the price for sovereign debt crises – the poorest and most vulnerable.

Sincerely,

Jo Marie Griesgraber, Ph.D
Executive Director, New Rules for Global Finance

Eric LeCompte,
Executive Director, Jubilee USA Network