

The Honorable Joseph R. Biden, Jr.
President-Elect
Office of the President Elect
1401 Constitution Ave., NW
Washington, DC 20230

January 14, 2021

Dear President-Elect Biden:

As groups that work on international humanitarian, development and labor issues, we were heartened to hear you announce that, as part of the future administration's COVID-19 response efforts, you are committed to strengthening U.S. global leadership to fight the pandemic.

We agree that the U.S. government has a vital role to play in the global response to the pandemic, and that is why we hope that, once in office, you and your Secretary of the Treasury will support the provision of critical financial resources to low- and middle-income countries (LMICs) through a major issuance of Special Drawing Rights (SDRs) by the International Monetary Fund. The House of Representatives already passed legislation twice last year — once as part of an appropriations package and the second time as part of HEROES 2.0 — supporting an issuance of 2 trillion SDRs. Similar legislation, S.4139, was introduced by Sen. Dick Durbin, and we hope that you will work with Congressional leaders to ensure its speedy passage in order to alleviate the humanitarian fallout of the pandemic, support U.S. jobs and exports, and bolster U.S. global leadership, at no cost to taxpayers.

Special Drawing Rights were created in the late 1960s with the support of IMF members. The last major issuance of these assets took place in 2009 in response to the global financial crisis. The proposal for a new SDR issuance to respond to the present crisis already has the support of the UN Secretary General, the IMF Managing Director, and many U.S. allies, including France, Germany and Canada. However, because the United States has a controlling vote with regard to new SDR issuances, U.S. assent to this proposal is critical for its passage.

Under U.S. law, Congressional approval is needed to allow the U.S. Treasury to support an issuance of the size that is needed to meet the enormous financing needs of LMICs during the pandemic, as estimated by the IMF. In addition, Congressional approval is required in order for the U.S. Treasury to be able to act immediately in support of an SDR issuance rather than having to delay its support during a 90-day Congressional notification period.

More nations have faced recession under COVID-19 in the past year than at any other recorded time since 1870. The UN World Food Program projected that 265 million people in LMICs would face acute hunger by the end of 2020. Preventing these and many

other catastrophic consequences requires fast action towards a solution which is equally significant in scale. A 2 trillion SDR issuance would amount to \$1.1 trillion of direct economic support to LMICs, support which can be used to import vital food stuffs and medical equipment without sparking debt or balance-of-payments crises.

A 2 trillion SDR issuance also will provide a much-needed boost to the U.S. economy. U.S. exports dropped by a stunning 64% annualized rate in Q2 2020, delivering a sharp blow to American manufacturers, farmers, and other exporters. Many LMICs can be expected to exchange their SDRs for hard currency in order to boost their imports of vital goods in a time of crisis, thus providing an accompanying boon to the exporters of said goods as well. While U.S. workers face unprecedented difficulties caused by COVID-19, such a boost to the American export sector can play a major role in revitalizing the U.S. economy.

Under Secretary Mnuchin, the Treasury Department's opposition to this proposal blocked its passage in spite of the overwhelming global consensus in favor of it. It is imperative that the next Treasury Department avoid this approach of alienating our allies while ignoring the plight of American workers and working families around the world. U.S. support for a major issuance of SDRs would signal to the international community a return of decisive American leadership and a commitment to a substantive global recovery.

We thank you for your past and present leadership on issues of economic recovery, international financial stability and global development, and sincerely hope that your administration will work with Congress and our international allies to urgently support an issuance of 2 trillion Special Drawing Rights, building on 2020 legislation, in the first days of your administration.

Sincerely,

[NATIONAL ORGANIZATIONS]

Oxfam America

Church World Service

AFL-CIO

Bread for the World

Amnesty International USA

International Brotherhood of Teamsters

Center for Economic and Policy Research

Partners In Health

ActionAid USA

The Hunger Project

Action Corps
Sisters of Mercy of the Americas - Justice Team
Maryknoll Office for Global Concerns
NETWORK Lobby for Catholic Social Justice
Presbyterian Church (USA)
Mennonite Central Committee U.S. Washington Office
The United Methodist Church – General Board of Church and Society
Union for Reform Judaism
Franciscan Action Network
Friends Committee on National Legislation
American Friends Service Committee
Pax Christi USA
American Hindu World Service
Leadership Conference of Women Religious
United Church of Christ, Justice and Witness Ministries
Global Citizen
Just Foreign Policy
Justice Is Global
Africa Faith and Justice Network
People’s Health Movement–USA
T’ruah, the Rabbinic Call for Human Rights
Health GAP
Latin America Working Group (LAWG)
Jobs With Justice
Demand Progress
EG Justice
Peace Action
CODEPINK
National Advocacy Center of the Sisters of the Good Shepherd
Congregation of Our Lady of Charity of the Good Shepherd, U.S. Provinces
Women Against War

Columban Center for Advocacy and Outreach

The Mauritanian Network for Human Rights in the US

Sister Parish, Inc.

Disciples Center for Public Witness

MADRE

Association of Concerned Africa Scholars (USA)

Friends of Angola

[REGIONAL ORGANIZATIONS]

Chicago Religious Leadership Network on Latin America

Sisters of St. Dominic of Blauvelt, New York

Baltimore Nonviolence Center

Iowa Farmers Union

Western New York Peace Center

Peace Action New York State

Maryland Peace Action

Maryland United for Peace and Justice

WESPAC Foundation, Inc.

WNY Peace Center

Peace Education Center of Greater Lansing

CC:

Janet Yellen, Nominee for U.S. Secretary of the Treasury

Adeyale Adeyemo, Nominee for U.S. Deputy Secretary of the Treasury