Model Letter to Ministers of Finance, Economy or Development and Executive Directors of the IMF and World Bank

**Urgent economic, health, and debt action: Statement by Global Unions to the IMF and World Bank**

*Date*

Dear Minister and executive directors,

We write to share the Global Unions statement to the IMF and World Bank and urge you to act on the recommendations for a coordinated international response to the global economic and public health crisis. The coming weeks and the Spring Meetings are an opportunity to plan coordinated fiscal and monetary stimulus, and responses that bolster frontline public health, protect jobs, and boost the real economy. Providing adequate support to developing countries is an essential part of the response, otherwise lives will be lost and the global economic crisis will deepen.

The Spring Meetings should result in a two-part plan, comprised of an issuance of IMF Special Drawing Rights (SDR) and an agreement for coordinated fiscal stimulus that is designed to preserve employment and the real economy. A SDR allocation was a key response to the global financial crisis, and the issuance this time should be consistent with the scope of the crisis and the needs of developing countries. Global Unions call for issuance to be accompanied by a donor trust fund that allows the transfer of SDRs to developing countries, earmarked for real economy stimulus, public health, social protection and jobs.

Developing countries will also need debt relief that goes beyond the limited existing structures. Global Unions call for a twin approach of sweeping debt relief linked with the Sustainable Development Goals and a sovereign debt workout mechanism. This should include cancellation, restructuring, and reprofiling of debt owed to the IFIs. Debt will be a destructive constraining factor for response, recovery, and sustainable development unless action is taken.

With the social and economic dislocation of the crisis and the disruption of supply chains, public health systems and social protection are the first line of defence. We must leave no one behind in the response, and build universal social protection including floors, and universal health coverage. Income support must be expanded to meet the rising unemployment, with no barriers to access for informal and non-standard workers. This is the moment for necessary ambition, with no time for piecemeal solutions or programmes that exclude the needy with narrow targeting and shift risks onto workers alone.

All stimulus should be designed to prioritize the real economy and comply with the core labour standards of the ILO. With regards to IFC response funding, we call for requirements on borrowers to provide paid sick leave for all and childcare support for essential workers. IFC should closely monitor, in dialogue with workers and trade unions, respect for the IFC Performance Standards on occupational health and safety, retrenchment, and collective bargaining. The response programmes of the World Bank Group and IMF should be designed through social dialogue and in cooperation with the ILO and WHO, to ensure coherence and respect for international labour standards. Loan conditions and policy advice on deregulatory structural reforms that erode worker protections and financial regulation have no place in the response or in the recovery. Reforming multilateralism and forging a new social contract have taken on a new urgency, and governments and the international financial institutions should start immediately.

Sincerely,

[Organization]