

THE WORLD NEEDS MORE Special Drawing Rights Now



The world is facing multiple crises. A new issuance of the International Monetary Fund's (IMF) Special Drawing Rights (SDRs) is urgently needed for global relief.

What are SDRs?

SDRs are international reserve assets issued by the IMF. Countries can use their SDRs to pay debts, bolster foreign reserves — thereby helping avert debilitating financial crises — or, by exchanging them for hard currency, fund purchases of essential goods. In times of crisis, the IMF can issue more SDRs to its members, providing immediate global relief at no cost to the US or its taxpayers.

SDRs Have a Record of Success During Global Crises

The IMF has issued major new SDR allocations twice in recent years:

2009

\$250 billion issued in response to the Great Recession

2021

\$650 billion issued in response to the COVID-19 pandemic

These allocations helped boost the global economy and provided crucial support to developing countries in need. In the [first year following the 2021 issuance](#):

41 countries in Sub-Saharan Africa used their SDRs in some way, showing their particular importance to low-income and African nations.

104 developing countries made use of their SDRs, many using the entirety of their share within a year or less, demonstrating the urgent need and appetite for SDRs.

SDRs were used to buy vaccines, to fund public health and social needs in response to the pandemic, to pay back IMF debt, to supplement existing reserves, and more.

Why More SDRs are Needed Now

A global economy in trouble

The IMF [predicts](#) that global growth will slow to 2.9% in 2024 — less than half that of 2021. As IMF Managing Director Kristalina Georgieva has [pointed out](#), developing countries urgently need more reserves and a “global safety net” to protect against the coming economic hardship.

Soaring poverty and hunger

The World Food Programme [warns](#) that “Conflict, economic shocks, climate extremes and soaring fertilizer prices are combining to create a food crisis of unprecedented proportions.” 783 million people now face chronic hunger. Years of economic disruptions have greatly [deepened](#) global poverty. And developing countries don't have the resources needed to act.

A looming debt crisis

Much of the developing world is on the brink of [a debt crisis](#). As interest rates on debt soar, and developing nations [burn through](#) their foreign reserves, the developing world may soon be [pushed over](#) the edge. Without action, we risk a repeat of the calamitous debt crises of the 1980s.

A growing climate catastrophe

The climate crisis is here, and the countries that are the least responsible for greenhouse emissions are often those that are set to suffer the most. Developing countries need [trillions](#) more dollars annually in order to mitigate, adapt, and meet their climate and development goals.

By providing countries with fiscal space for climate action and investment in sustainable development, a new SDR issuance is key to addressing this entire suite of crises.

“ Developing countries urgently need financial support from international financial institutions....Unless there is a strong effort.... countries will continue to struggle to pay their food and energy import bills, service their debt and increase spending in social protection.... We need a new emission of Special Drawing Rights from the International Monetary Fund.

ANTÓNIO GUTERRES
UN Secretary General



SDRs are good for the US

The 2021 SDR allocation helped stabilize the world economy, boost global demand, and support the creation of US export jobs that had been lost as a result of the COVID-19 crisis. A new issuance would similarly support US export sectors. US backing for a new issuance would also bolster US global leadership, including on climate, at no cost to US taxpayers.

Sanctioned Countries Don't Benefit from SDRs

There is [no evidence](#) to support some US lawmakers' claims that SDRs benefit US "adversaries." Most of these countries are facing broad economic sanctions, which has made it impossible for them to use SDRs. Sanctioned countries like Afghanistan, Belarus, Iran, Myanmar, Russia, Sudan, Syria, and Venezuela have collectively used zero SDRs since the 2021 allocation. Cuba and North Korea are not IMF members and so do not receive any SDRs. China, meanwhile, much like the US, does not need its SDRs, and is unlikely to ever use them.

What Are We Waiting For?

Given US influence at the IMF, US support is required for approval of a new issuance. The US House of Representatives has twice [passed](#) legislation supporting a 2 trillion SDR issuance (around \$2.7 trillion worth, at the current rate).

But while congressional authorization is pending, Treasury has the authority to act on its own right now to support a new SDR issuance of \$650 billion — equal to that of 2021.

A third of that amount would go to developing countries not including China, who would proactively use their SDRs. The US can act now to support a new issuance of Special Drawing Rights, helping to provide immediate, global relief to developing countries facing an unprecedented combination of crises, benefitting the US and the world at zero cost.

The US has the power to help provide immediate, global relief to developing countries facing an unprecedented combination of crises, benefitting the US and the world at zero cost. We must act now to support a new issuance of Special Drawing Rights.

Allies, Lawmakers, and Civil Society Groups Want SDRs Now

Global South Leaders

At the inaugural Africa Climate Summit in 2023, dozens of African leaders [called for](#) a new \$650 billion SDR issuance to help developing countries combat the climate crisis. So have the [G-24](#), which represents developing countries at the IMF and World Bank, and leaders such as Colombian president [Gustavo Petro](#).

Labor and Business

The [International Trade Union Confederation](#), which represents 191 million workers in 167 countries, and the [International Chamber of Commerce](#), which represents more than 45 million companies in over 100 countries, both support a new \$650 billion issuance. The AFL-CIO and affiliates like United Steelworkers and Communications Workers of America, have also [demanded](#) a new SDR issuance to help workers in the US and around the world.

UN Global Crisis Response Group on Food, Energy, and Finance

In a [report](#) on the global impact of the war in Ukraine, the UN Global Crisis Response Group on Food, Energy, and Finance finds that "A new emission of Special Drawing Rights... is urgently needed."

Economists, civil society and US officials

Hundreds of [civil society organizations](#) from around the world — including Oxfam International, Partners in Health, Global Citizen, International Crisis Group, Sierra Club, and Center for American Progress — as well as [leading economists](#), and over 50 [US lawmakers](#) have called for a new major SDR allocation to help provide global economic relief.