

United States Senate

WASHINGTON, DC 20510

August 1, 2011

The Honorable Timothy F. Geithner
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Geithner:

We write to express our concern about a recent request made by the Republic of Belarus for an emergency loan from the International Monetary Fund (IMF) of up to \$8 billion. We urge you, as the U.S. Governor to the IMF, to work with our international allies, particularly in Europe, to ensure that this requested loan is not awarded and to personally voice U.S. opposition to IMF support for Belarus at this time.

As you know, the United States and European Union have worked together closely in recent months in response to developments in Belarus. We are strongly supportive of this cooperation, particularly efforts to hold accountable those in Belarus who are responsible for the brutal crackdown that began after last year's fraudulent presidential election and the continued detention and harassment of civil society and opposition leaders, presidential candidates, and party leaders. We believe that such transatlantic cooperation on Belarus must also now extend to the IMF.

An IMF loan to Belarus at this time would be contrary to both U.S. and EU interests. Despite billions of dollars in assistance provided to Belarus by the international community—including \$3.5 billion from the IMF over the past two years—its government has failed to undertake the structural reforms repeatedly called for and deemed essential by the IMF. On the contrary, the Belarusian government, under the authoritarian leadership of Aleksandr Lukashenka, has pursued irresponsible and destructive economic policies for his own narrow political purposes. In the lead-up to the December 2010 presidential election, for example, the Lukashenka government sharply raised the average monthly wage of government workers in a failed bid to shore up support for his regime. This disastrous policy has been cited by the IMF as one of the chief causes of Belarus' current economic crisis.

Additional lending by the IMF would only subsidize Lukashenka's continued illegitimate and repressive regime and would not advance real economic reforms. The European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) have denied loans to Belarus in recent weeks and the IMF should follow in their example. We are concerned that an IMF delegation visit to Belarus in June suggested that support might be forthcoming, even stating that it had "initiated discussions on a possible IMF program" – an impression Lukashenka is trying to perpetuate. We hope you will work together with our partners to ensure that no steps are taken to initiate such a program at this time.

We note with appreciation the principled vote of the U.S. Executive Director of the IMF against a loan to Belarus in 2009 and ask that the U.S. again vote against any move to provide Belarus with IMF funds in accordance with existing legislative mandates. Specifically, we note that United States Code Title 22 Section 262d mandates the voice and vote of the United States "shall advance the cause of human rights" at the IMF by working to ensure that assistance is not channeled to countries, such as Belarus, that engage in a pattern of human rights abuses. The 2009 IMF loan to Belarus went forward, despite U.S.

opposition, precisely because the United States and the EU did not stand united. Given the recent pattern of close transatlantic coordination and cooperation on Belarus, we hope that a better way forward is now possible.

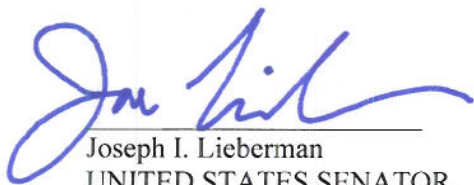
To this end, we strongly urge you to express publicly that in the absence of credible political and economic reforms by Belarusian authorities—including the immediate and unconditional release of all political prisoners in Belarus—the United States will not support any further IMF assistance to Belarus and will continue to ratchet up pressure on the regime. Such a clear statement would disabuse Lukashenka and his supporters of any notion that IMF help is on the way. It would also allay concerns among the Belarusian opposition and civil society community that their efforts will not be undermined by an IMF bailout.

Lastly, while we are encouraged that both the U.S. and the EU have put in place additional sanctions prohibiting business with state-controlled entities that are critical to the financial well-being of the Lukashenka regime, we believe that additional measures are justified at this time. In particular, we urge U.S. and EU sanctions against other state-owned entities, such as the potash company Belaruskali, the gas pipeline company Beltransgaz, the mobile phone company MTS Belarus, the Minsk Automotive Company, Mozyr Oil Refinery, and Naftan Oil Refinery.

The Belarusian people should have no doubt that the transatlantic community of free nations stands united and on their side as they seek both the freedom and prosperity that the Lukashenka government has denied them for nearly two decades. Likewise, the authorities in Belarus must know that, as long as President Lukashenka remains in power, his reckless and repressive policies will not be subsidized by the international community.

We thank you for your attention to this matter.

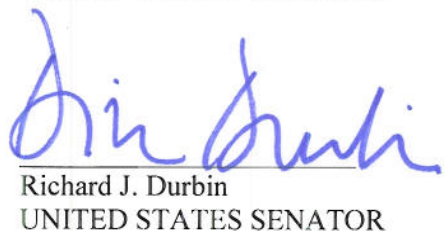
Sincerely,



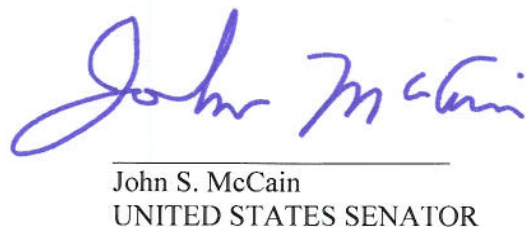
Joseph I. Lieberman
UNITED STATES SENATOR



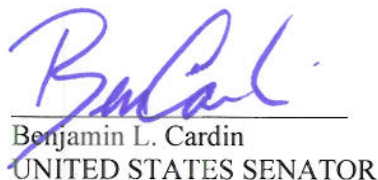
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