



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Mr Tim Jones  
Acting Director  
Jubilee Debt Campaign  
The Grayston Centre  
28 Charles Square  
London  
N1 6HT

21 October 2013

A handwritten signature in blue ink that reads 'Tim Jones'.

As you know, your letter of 19 September to the Prime Minister about sovereign debt policy, has been passed to the Treasury. I have been asked to reply.

For many years the UK has been at the forefront of international efforts to promote debt sustainability and responsible lending and borrowing. This includes our ongoing support for the application of internationally agreed guidelines such as the IMF/World Bank Debt Sustainability Framework and the Organisation for Economic Co-operation sustainable lending principles for the provision of official export credits.

The UK works within multilateral systems and initiatives for debt relief and we remain committed to providing debt relief to the world's poorest countries through the Highly Indebted Poor Countries initiative. Coordinated international action has already delivered billions of dollars worth of debt cancellation and we continue to believe that this is the most effective way to tackle sovereign debt problems.

All loans made by the UK are made to internationally recognised governments, are bound by legal contracts and are recognised in international law. We believe that where debt relief is provided it should be done on the basis of a country's economic needs. Alternative approaches risk undermining the development prospects of countries trying to strengthen their economies and reduce poverty through access to international financing.

The Government's priority remains the delivery of strong, sustainable and balanced growth. Supporting both fairness and competitiveness in the tax system, promoting trade liberalisation and ensuring we have effective financial regulation are all key elements of the Government's strategy to deliver growth.

This is consistent with international commitments agreed under the UK's G8 presidency in June, which included G8 agreement on the need to foster sustainable development and ensure that developing countries benefit from more open trade, fairer taxes and greater transparency.

Thank you again for taking the time to raise these issues.

Best wishes,  
George

GEORGE OSBORNE