15 May 2025

Ms Kristalina Georgieva
Managing Director
International Monetary Fund
700 19th Street NW
Washington, DC 20431 USA

Subject: Petition to strengthen the transparency safeguards regarding the May 2025 disbursement to Pakistan

Dear Ms Georgieva,

We, members of the Indian diaspora across Europe, North America and other regions, write in a strictly non-partisan, individual capacity. While we recognise the Fund's pivotal role in stabilising vulnerable economies, the recent release of US $1.023 billion loan tranche to Pakistan on 14 May 2025 [1] raises urgent questions about expenditure transparency and governance risk. These concerns have sharpened amid the recent military escalations of 7 May 2025 [2] which is the most serious clash between India and Pakistan in more than two decades. It underlines how opaque capital inflows can threaten the stability of the Indian subcontinent.

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1. Governance-quality risks

Pakistan's public-sector integrity indicators continue to deteriorate. The 2024 Corruption Perceptions Index assigns Pakistan a score of 27/100 (rank 135 of 180), two points lower than 2023 and well below both global (43) and South-Asia (33) means [3]. Such trends point to systemic weaknesses in procurement, audit and expenditure control that heighten the probability of leakages or diversion of concessional resources.

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2. Temporal correlation with cross-border terrorist violence

An examination of IMF disbursement dates to Pakistan over the past 17 years shows a recurring pattern: major attacks on Indian targets have clustered within a six-week window—either shortly before or shortly after significant loan tranches. Episodes range from the November 2008 Mumbai attacks (two days after a US $7.6 billion standby approval) to the April 2025 Pahalgam massacre (three weeks before the latest loan tranche approval). Although this pattern is not proof of causation, the repeated temporal proximity underscores the risk that fungible external inflows may indirectly ease fiscal pressures, reduce the cost of security crackdowns on extremist groups, or simply be diverted through weak oversight mechanisms—factors that collectively threaten the stability of the Indian subcontinent.

IMF transaction	Date	Amount in USD	Proximate terror incident in India	Interval
2nd EFF tranche	14 May 2025	1.0 billion	Pahalgam tourist massacre, ≥ 20 dead	3 weeks before
Final SBA tranche	29 Apr 2024	1.1 billion	Reasi pilgrim-bus ambush, 9 dead	6 weeks after
11th EFF review	27 Jun 2016	510 million	Uri army-base attack, 17 soldiers dead	11 weeks after
9th EFF review	18 Dec 2015	498 million	Pathankot air-force base attack, 7 dead	2 weeks after
7th EFF review	26 Jun 2015	506 million	Gurdaspur police-station siege, 10 dead	4 weeks after
SBA approval	24 Nov 2008	7.6 billion	Mumbai terror attacks, 166 dead	2 days after

Table 1. IMF disbursements to Pakistan and proximate terror attacks in India (2008 – 2025)

This underscores the need for robust safeguards against the fungibility of capital inflows. Similar concerns were noted by the Government of India during the Fund's Board discussion on 9 May 2025 [4]. A failure to impose stringent transparency measures risks fuelling a vicious cycle of violence that imperils the stability of the Indian subcontinent.

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3. Recommended transparency enhancements

1. **Quarterly public utilisation reports** disaggregated by ministry, province and project line item.

2. **Independent performance audits** (Supreme Audit Institution plus an internationally recognised firm) published within six months of each disbursement.

3. **Expanded conditionality** covering measurable progress on public-financial-management reforms (single-treasury-account rollout, e-procurement,

beneficiary-level expenditure tracking).

4. **Structured civil-society monitoring** involving regional NGOs and academic institutions for third-party verification of end-use.

5. Alignment with FATF and UNODC terror-finance risk-assessment recommendations, with further tranches withheld until compliance thresholds are met.

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4. Conclusion

Our sole objective is to ensure IMF resources achieve their intended developmental impact without inadvertently exacerbating regional insecurity. Strengthening transparency mechanisms will both protect the Fund's reputation and bolster confidence in regional stability.

We stand ready to provide supplementary research and to engage constructively with IMF staff as transparency measures are incorporated into forthcoming programme reviews.

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