

July 20, 2010

Dear Senator,

We write to you as members and supporters of the Jubilee USA Network. Jubilee USA is an alliance of religious denominations and faith communities, human rights, environmental, labor, and community groups working for the definitive cancellation of debts to fight poverty and injustice in Asia, Africa, and Latin America.

As you put together the FY2011 State and Foreign Operations Appropriations bill, we urge you to allocate at least \$1.285 billion for the International Development Association (IDA), in order to adequately fund our commitments for debt relief for the world's poorest countries.

The Administration has requested \$1.285 billion for IDA in FY 2011: \$1.235 billion to cover the U.S. 2011 commitment to IDA, and \$50 million to cover a portion of the outstanding U.S. arrears to IDA. Meeting our financial commitment to IDA-15 and clearing our outstanding arrears is essential to our ability to meet our financial obligations under the Multilateral Debt Relief Initiative (MDRI), which provide debt relief to heavily indebted poor countries. MDRI is funded through the early encashment of US contributions to IDA. No money can be used to fund MDRI unless the basic US commitment to IDA is met.

Given the fact that the U.S. will be \$478.07 million in arrears to IDA by the end of FY 2010, we urge the subcommittee to support the President's request of \$1.285 billion for IDA, which includes our current commitment to IDA-15 as well as the modest \$50 million contribution toward our arrears.

The United States has been a global leader in securing debt relief for impoverished countries and played a critical role in establishing the MDRI. Over the past decade, the MDRI has provided complete debt cancellation to 29 of the world's poorest countries.

Debt cancellation has a proven record of success. Poverty-reducing expenditures have risen significantly in countries that have received debt relief, with funds used to abolish school fees, provide basic health care, build schools, hire teachers, and improve access to safe drinking water. In 2003, Zambia spent twice as much money on debt payments as it spent on health care. Now, because of debt cancellation, fees for rural health care have been abolished, and rural Zambians enjoy free basic medical services. In Tanzania, debt cancellation has been used to increase the number of children in primary schools by over 50%, build more than 31,800 new classrooms, and recruit more than 17,800 additional teachers.

Debt cancellation is even more critical in the wake of the global economic crisis. The World Bank estimates that an additional 50 to 90 million people were forced into extreme poverty in 2009 as a result of the global economic crisis. For people already living on the margins, this will mean escalating levels of malnutrition and disease and drastically reduced access to essential health care and basic education.

In difficult economic times, it is in our national interest to help those who are suffering the most. Debt cancellation is an effective way to accomplish this. Unfortunately, the enacted appropriation from FY2010 did not make any contribution toward our substantial arrears to debt relief. As the State and Foreign Operations Subcommittee considers the 2011 budget, please continue to support our nation's commitment to debt relief by funding the Administration's request for \$1.285 billion for IDA in the State, Foreign Operations Appropriations bill for FY 2011.

Sincerely,

Africa Action

Africa Faith and Justice Network

American Jewish World Service

Bread for the World

Center of Concern

Church World Service

Columban Center for Advocacy and Outreach

The Episcopal Church

Holy Spirit Missionary Sisters, JPIC

Institute for Justice & Democracy in Haiti

Institute for Policy Studies, Global Economy Project

InterReligious Task Force on Central America

Jubilee San Diego

Jubilee USA Network

Leadership Conference of Women Religious

Maryknoll Office for Global Concerns

Mennonite Central Committee U.S. Washington Office

Missionary Oblates of Mary Immaculate, Justice Peace/Integrity of Creation Office

New Rules for Global Finance

ONE

School Sisters of Notre Dame – Office of Global Justice & Peace

Sojourners

TransAfrica Forum

Union for Reform Judaism

United Church of Christ, Justice and Witness Ministries

Washington Association of Churches