

# Congress of the United States

Washington, DC 20515

March 18, 2010

The Honorable Nita Lowey  
Chairwoman  
House Appropriations Committee  
State, Foreign Operations Subcommittee  
Room HB-26, The Capitol  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Kay Granger  
Ranking Member  
House Appropriations Committee  
State, Foreign Operations Subcommittee  
1016 Longworth Building  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairwoman Lowey and Ranking Member Granger:

We urge you to allocate at least \$1.285 billion for the International Development Association (IDA) and at least \$50 million for the Highly Indebted Poor Countries (HIPC) Trust Fund in the State, Foreign Operations Appropriations bill for FY 2011, 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. Of this total, \$1.235 billion will cover the second of three scheduled payments under the U.S. commitment to IDA's 15th replenishment (IDA-15), and \$50 million will cover a portion of the outstanding U.S. arrears to IDA. Given the fact that the U.S. will be \$478.07 million in arrears to IDA by the end of FY 2010, it is important for the State, Foreign Operations Appropriations bill to include the requested funds for IDA-15 as well as a modest contribution toward our arrears.

The Administration has also requested \$50 million for the HIPC Trust Fund. This contribution will partially cover the United States' \$75.4 million outstanding pledge to the HIPC Trust Fund.

Meeting our financial commitment to IDA-15 and the HIPC Trust Fund and clearing our outstanding arrears is essential to our ability to meet our financial obligations under the Multilateral Debt Relief Initiative (MDRI) and the HIPC Initiative, which provide debt relief to heavily indebted poor countries. The United States has been a global leader in securing debt relief for impoverished countries and played a critical role in establishing the HIPC Initiative and MDRI. Over the past decade, the HIPC Initiative and MDRI have provided complete debt cancellation to 28 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.

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. Please continue to support our nation's commitment to debt relief by including no less than the Administration's request for \$1.285 billion for IDA and \$50 million for the HIPC Trust Fund in the State, Foreign Operations Appropriations bill for FY 2011.

Sincerely,

Melanie Waters

Lucy Mack

Al Green

John King

Wm. Lucy Clay

Lynn Woolsey

Mike Fiedt

Yvette D. Clarke

Raul M. Grijalva

John Lewis

Pete Stark

Diana Bachmann

Keith Ellison

Delina L. Watt

Jan Schakel

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