

# JUBILEE ACT SUMMARY

H.R. 2634/S. 2166



***Support Broader Debt Cancellation to Fight Global Poverty!***

In 2008 we have an incredible opportunity to put the issue of crushing international debt on the agenda of world leaders.

The Jubilee Act for Responsible Lending and Expanded Debt Cancellation, HR 2634/S 2166 was introduced into the US Senate and House of Representatives last year as a way to address the unfinished agenda on international debt. This legislation would expand debt cancellation, a proven means of fighting poverty, to all the impoverished countries that need it to meet the Millennium Development Goals (MDGs) by 2015.

## **WHY DEBT CANCELLATION?**

Debt costs lives. In the world's most impoverished countries, majorities do not have access to clean water, adequate housing or basic health care. Impoverished countries around the world currently pay debt service to wealthy nations and institutions at the expense of providing these basic services to their citizens. Every day 8,000 people die from HIV/AIDS, 70 percent of them in African countries. At the same time, most African countries spend more on debt payments than on health care. Broader debt cancellation is needed to meet the MDGs, targets agreed upon by world leaders to halve extreme poverty by 2015.

## **DOES DEBT CANCELLATION WORK?**

Partial debt relief and full debt cancellation are tested and effective tools for releasing resources to fight poverty and injustice. Savings from debt cancellation agreed to by world leaders in 2005 have enabled Zambia to hire 4,500 new teachers and eliminate fees for rural healthcare, to name just one example. While debt relief has a good track record, the international Jubilee movement works to ensure that resources released by debt cancellation reach those who need it most, by demanding accountability and transparency from creditors and impoverished countries.

## **DIDN'T WORLD LEADERS DROP THE DEBT IN 2005?**

The G-8 debt deal agreed to in 2005 was an important step, but only **1 in 10 people in impoverished countries will see any benefit from the debt cancellation achieved** to date. Further, because of the harmful economic policies countries must implement to qualify for debt cancellation, 18 of the 40 countries eligible for the G-8 debt deal have yet to see their debt cancelled. These harmful policies include privatization of basic services and the imposition of user fees on health care.

## **WHAT CONGRESS CAN DO IN 2008**

In June 2007, Rep. Maxine Waters (D-CA) and Rep. Spencer Bachus (R-AL) introduced the Jubilee Act for Responsible Lending and Expanded Debt Cancellation (H.R. 2634) in the House of Representatives. Senators Robert Casey (D-PA), Richard Lugar (R-IN), and Chris Dodd (D-CT) followed suit in October by introducing an identical Senate companion bill (S. 2166). This legislation calls for more transparent and responsible behavior on the part of creditors, while expanding eligibility for debt cancellation to all 67 countries that need it to meet the MDGs, without imposing harmful economic conditions. Only 40 countries are eligible under current debt relief schemes, and of those 40, only 22 have actually had their debts cancelled. Jubilee USA Network is calling on Members of Congress in the House and Senate to support improved creditor behavior and debt cancellation in impoverished countries by co-sponsoring the Jubilee Act.

The Jubilee Act addresses the unfinished agenda on debt. The Jubilee USA Network and its partner organizations are currently working to pass the Jubilee Act in the House and Senate in 2008. ***Visit [www.jubileeusa.org](http://www.jubileeusa.org) and urge your Senators and Representative to co-sponsor the Jubilee Act today!***