



September 4, 2007

Dear Member of Congress:

As organizations committed to ending global poverty, we write to urge you to co-sponsor the Jubilee Act for Responsible Lending and Expanded Debt Cancellation of 2007 (H.R. 2634). The Jubilee Act safeguards the gains made by debt cancellation to date and expands eligibility for cancellation to countries that need it to meet the Millennium Development Goals (MDGs).

Debt cancellation is a proven way to reduce poverty. The debt cancellation supported by Congress in 1999 and 2005 has reached more than two dozen countries in Africa and Latin America. This year, Zambia is using its savings of \$23.8 million on agricultural projects and to eliminate fees for health care in rural areas. Uganda is using the \$57.9 million freed by debt cancellation to increase spending on primary education, malaria control, health care and infrastructure.

But significant challenges remain. First, the IMF and World Bank continue to urge impoverished nations to adopt policies including privatization of essential services and liberalization of trade in sensitive sectors in exchange for debt cancellation or new aid, the net effect of which can be to limit spending on public services. Today, IMF/World Bank conditions are holding up much needed debt cancellation for eligible countries including Haiti, the Democratic Republic of Congo, and Liberia. These economic conditions are undermining the benefits of debt cancellation and hurting the poor; the Jubilee Act would prohibit them. Second, rogue lenders and so-called "vulture funds" threaten to compromise the benefits of debt cancellation. The Jubilee Act requires the Secretary of the Treasury to curtail the activity of vulture funds.

2007 marks the half-way point to the MDGs, but we are far from halfway to meeting the goals, especially in Africa. Debt cancellation should be expanded to include countries that need it to meet the MDGs and to fight HIV/AIDS and other diseases. The Jubilee Act would make up to 27 additional low-income countries eligible for debt cancellation by the United States, the World Bank, and the International Monetary Fund provided that they demonstrate their ability to use the money to fight poverty and provide an annual report detailing the use of funds on poverty reduction.

In order to learn from past errors and ensure more responsible lending, we must address the problem of odious and unjust debts (debts accrued by undemocratic regimes or that did not benefit the population). The Jubilee Act does this by requiring the Comptroller General of the US to undertake audits of debt portfolios of previous regimes in countries such as the Democratic Republic of Congo and South Africa, where there is accepted evidence of odious loans.

In order to prevent a continual and wasteful debt/forgiveness cycle, it is essential to establish a framework for responsible and transparent lending in the future. The Jubilee Act calls for the development of responsible financing standards where creditors and aid/loan recipients alike adhere to standards to assure transparency and accountability to citizens, human rights, and the avoidance of odious debt, while encouraging the development of renewable energy and a transition away from dependence on oil.

The U.S. can lead the way to completing the good work already begun on debt cancellation. We urge you to cosponsor H.R. 2634, the Jubilee Act for Responsible Lending and Expanded Debt Cancellation of 2007.

Sincerely,

ActionAid International USA
AFL-CIO
Africa Action
Ainsworth United Church of Christ, Portland, Oregon
Alliance for Global Justice
American Friends Service Committee
American Jewish World Service
Americans for Informed Democracy
Bread for the World
Capuchin Franciscans, Midwest Province
The Capuchin Province of Mid-America
Center of Concern
Church World Service
Citizens for Global Solutions
Conference of Major Superiors of Men
DATA – Debt AIDS Trade Africa
The Episcopal Church
Essential Action
Evangelical Lutheran Church in America
Friends of the Earth US
Gender Action
Institute for Justice and Democracy in Haiti
Jubilee Justice Task Force of the United Church of Christ
Jubilee National Capital Area
Jubilee Northwest Coalition, Seattle, Washington
Jubilee San Diego
Jubilee USA Network
Justice, Peace & Integrity of Creation Office of the Wheaton Franciscans
Marianists International
Maryknoll Office for Global Concerns
Medical Mission Sisters' Alliance for Justice
Mennonite Central Committee
Metanoia Peace Community United Methodist Church, Portland, Oregon
Missionary Oblates of Mary Immaculate, Justice, Peace/Integrity of Creation Office
Missionary Society of St. Columban (US Region)
National Association for the Advancement of Colored People (NAACP)
Nicaragua Network
Oil Change International
The ONE Campaign
Oxfam America
Pax Christi USA: National Catholic Peace Movement
Presbyterian Church, (USA), Washington Office
Priority Africa Network
RESULTS
SHALOM Network, Dallas Unit of the School Sisters of Notre Dame

School Sisters of Notre Dame, Mankato Province
School Sisters of Notre Dame-St. Louis Mission Effectiveness Office
Sisters of the Holy Cross, Notre Dame, IN.
Sojourners/Call to Renewal
South Bay Jubilee Coalition
St. Francis Xavier Jubilee parish, Missoula, MT
TransAfrica Forum
Union for Reform Judaism
Unitarian Universalist Association of Congregations
United Church of Christ, Justice and Witness Ministries
United Methodist Church, General Board of Church and Society
Washington Office on Africa
Witness for Peace
Women's Edge

