The letter below, with **over 65 organizational signatories**, supports the *Robust International Response to Pandemic Act* (<u>H.R.6581</u>), introduced by Reps. García, Schakowsky, and Takano, and co-sponsored by Bass, Cicilline, Engel, Jayapal, Khanna, Lee, McGovern and <u>others</u>.

The signatories below urge Congress to include H.R.6581 in the new coronavirus response. This global public health crisis, and deepening world recession, together could kill millions of people, and have devastating ramifications for American workers. We urge House Democrats to ensure that the U.S. government allows **a very large global financial assistance package from the International Monetary Fund**. This would be entirely from the IMF and will **not be financed in any way by U.S. taxpayers**.

This bill would allow the IMF to issue Special Drawing Rights (SDRs), an emergency financial tool used as recently as 2009. The IMF <u>issued SDRs in 2009</u> in response to the global financial crisis, helping ease the impact of the crisis on developing economies. We believe it's time to do this again -- swiftly and on a large scale.

H.R.6581 Key Endorsements (full list beneath letter below):

AFL-CIO American Friends Service Committee Amnesty International USA Avaaz Bread for the World Church World Service Friends Committee on National Legislation Jubilee USA Network League of Women Voters of the United States National Advocacy Center of the Sisters of the Good Shepherd Oxfam America Partners In Health Pax Christi USA Presbyterian Church (USA) Public Citizen Save the Children US The United Methodist Church - General Board of Church and Society Union for Reform Judaism United Church of Christ, Justice and Witness Ministries

Thank you very much for your attention.

Dear Representative:

As COVID-19 triggers public health and economic crises in countries around the world, we, the undersigned organizations, urge you to co-sponsor the *Robust International Response to Pandemic Act* (H.R.6581), introduced by Representatives Jesus "Chuy" García, Jan Schakowsky, Mark Takano, and <u>13 other original co-sponsors</u>. We believe Congress must enact H.R.6581 as part of forthcoming coronavirus legislation to ensure that developing countries will be supported by the International Monetary Fund (IMF) and other international financial institutions with the resources they need to confront this unprecedented global crisis.

H.R.6581:

- 1. **Debt Relief:** Instructs U.S. representatives to the international financial institutions to support a suspension of debt payments to those institutions during the COVID-19 pandemic;
- 2. **Protection of Public Health Spending:** Instructs U.S. representatives to the international financial institutions to oppose programs that undermine countries' ability to respond to COVID-19, such as those that encourage cuts to public health spending;
- 3. **Needed Resources:** Instructs the U.S. representative to the IMF to support issuing 3 trillion in "Special Drawing Rights."

The United Nations World Food Program <u>estimates that</u>, as a result of the pandemic, 265 million people could face starvation by the end of the year. A <u>report</u> published by the United Nations University has found that half a billion people could be pushed into poverty. **Bold, concerted international action is urgently needed.**

One key measure that economists, development experts and humanitarian organizations from around the world are calling for is a major issuance of Special Drawing Rights (SDRs). A <u>special international reserve asset</u> created by the IMF, SDRs are distributed to central banks of countries in proportion to their IMF quotas. Countries can exchange SDRs for freely usable currencies when they are in weak financial positions. They are similar to the Federal Reserve's swap arrangements, which have primarily benefited wealthy nations, whereas SDRs are distributed to all IMF member countries. Congress should support this costless and effective currency lifeline for the rest of the world.

The IMF last <u>issued SDRs in 2009</u> in response to the global financial crisis and thereby helped ease the impact of the crisis on developing economies. Because SDRs are issued to each country roughly in proportion to the size of its economy, economists project that an issuance of three trillion SDRs <u>will ensure</u> that significant help can reach Latin America, sub-saharan Africa and other regions that face major economic and public health emergencies.

An issuance of SDRs for COVID-19 recovery has been endorsed by <u>IMF Managing</u> <u>Director Kristalina Georgieva</u>, the <u>Secretary General of the UN</u>, most G20 countries, the <u>New York Times</u> and the <u>Financial Times</u>. Former World Bank Chief Economist Joseph Stiglitz <u>asserts</u> that in order to help developing economies, "Full use must be made of the International Monetary Fund's Special Drawing Rights."

Another important measure to help developing countries during the pandemic is a moratorium on debt service payments to the IMF, World Bank and other international financial institutions. Low and middle income countries owe their creditors an <u>estimated</u> \$2.7- \$3.4 trillion in foreign currency debt service over the two years 2020-21.* Across 46 countries, debt payments for this year are currently projected to be 400% of their health budgets.

H.R. 6581 supports both a major issuance of SDRs and a moratorium on debt to international financial institutions, two vital measures that provide developing countries with critical financial support as they battle the pandemic.

We ask that you contact alex.campbell@mail.house.gov in Rep. García's office to cosponsor H.R.6581 and urge House Leadership to adopt this lifesaving and urgently needed proposal in the next coronavirus spending package.

Thank you for your consideration,

ActionAid USA Action Corps AFL-CIO Alianza Americas (Illinois) American Friends Service Committee Americans for Democracy & Human Rights in Bahrain Amnesty International USA Association of Concerned Africa Scholars (USA) Avaaz Bread for the World Center for Economic and Policy Research Center for International Policy Chicago Area Peace Action Chicago Religious Leadership Network on Latin America Church World Service CODEPINK Concerned Citizens for Change (New York) Concerned Families of Westchester (New York) Congregation of Our Lady of the Good Shepherd, U.S. Provinces **Demand Progress** Faiths for Safe Water Friends Committee on National Legislation Global Justice Clinic of NYU School of Law* Greater New York Labor-Religion Coalition Helping Hand for Survivors Indivisible South Bay LA (California) Jubilee USA Network Just Foreign Policy Justice Is Global Knowdrones.com Health Alliance International Leadership Conference of Women Religious League of Women Voters of the United States

MADRE Massachusetts Peace Action Mennonite Central Committee National Advocacy Center of the Sisters of the Good Shepherd New Jersey Peace Action NYC-DSA Anti-War Working Group Oxfam America Partners In Health Pax Christi USA Peace Action Maine Peace Action New York State Presbyterian Church (USA) Project Blueprint Public Citizen Riverdale-Yonkers Society for Ethical Culture (New York) RootsAction.org Save the Children US Sisters of Mercy of the Americas – Justice Team Sisters of St. Dominic of Blauvel, New York STAND: the student-led movement to end mass atrocities The Hunger Project The Peace & Justice Program of All Souls NYC The United Methodist Church - General Board of Church and Society Union for Reform Judaism United Church of Christ, Justice and Witness Ministries Washington Global Health Alliance WESPAC Foundation (New York) Win Without War Women Against War Women's Refugee Care WNY Peace Center (New York) Yemeni Alliance Committee Yemen Relief and Reconstruction Foundation

*This communication does not purport to represent the institutional views, if any, of New York University.