Support for the Robust International Response to Pandemic Act (H.R.6581)

The letter below, signed by **over 100 U.S. organizations**, supports the *Robust International Response to Pandemic Act* (<u>H.R.6581</u>), introduced by Rep. García, Schakowsky, and Takano, and co-sponsored by Reps. 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. Congress should ensure 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 not financed in any way by U.S. taxpayers.

H.R.6581 authorizes a major issuance of IMF 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.

Signatories include (full list beneath letter below):

AFL-CIO

Amnesty International USA

Bread for the World

Church World Service

Jubilee USA Network

League of Women Voters of the United States

Maryknoll Office of Global Concerns

Oxfam America

Partners In Health

Presbyterian Church (USA)

Save the Children US

The United Methodist Church - General Board of Church and Society

Union for Reform Judaism

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 13 other original co-sponsors. 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:

- 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 IMF Managing Director Kristalina Georgieva, the Secretary General of the UN, most G20 countries, the New York Times and the Financial Times. Former World Bank Chief Economist Joseph Stiglitz asserts 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,

Action Corps
Action Corps Florida
ActionAid USA
AFL-CIO

Africa Faith and Justice Network

Alianza Americas

American Friends Service Committee

Americans for Democracy & Human Rights in Bahrain

Amnesty International USA

Association of Concerned Africa Scholars (USA)

Avaaz

Baltimore Nonviolence Center

Baltimore, MD Phil Berrigan Memorial Chapter Veterans For Peace

Baltimore Peace Action

Bread for the World

Brooklyn For Peace

CASA, Maryland

Center for Economic and Policy Research

Center for International Policy

Central Florida Jobs With Justice

Chesapeake Physicians for Social Responsibility

Chicago Area Peace Action

Chicago Religious Leadership Network on Latin America

Church World Service

Coalition for Peace Action

CODEPINK

Columban Center for Advocacy and Outreach

Concerned Citizens For Change, NY

Concerned Families of Westchester

Congregation of Our Lady of the Good Shepherd, U.S. Provinces

Congregation Rodeph Sholom

Demand Progress

Faiths for Safe Water

Farmworker Association of Florida

Florida Immigrant Coalition

First Unitarian Church Des Moines

Freedom Forward

Friends Committee on National Legislation

Global Exchange

Global Justice Clinic of NYU School of Law

Greater New York Labor-Religion Coalition

Growing Hope Globally

Health Alliance International

Helping Hand for Survivors

Historians for Peace and Democracy

Iglesia Episcopal Jesus de Nazaret

Indivisible South Bay LA

Iowa Interfaith Power and Light

J Street

Jobs With Justice

Jubilee USA Network

Just Foreign Policy

Justice Is Global

Knowdrones[.]com

Leadership Conference of Women Religious

League of Women Voters of the United States

MADRE

Maine Episcopal Network for Justice

Maryknoll Office for Global Concerns

Maryland Peace Action

Maryland United for Peace and Justice

Massachusetts Peace Action

Mauritanian Network for Human Rights

Mennonite Central Committee U.S. Washington Office

Methodist Federation for Social Action, Iowa Chapter

MoveOn

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

Partnerships for Trauma Recovery

Pax Christi USA

Peace Action

Peace Action Maine

Peace Action New York State

Peters Partnership Organization

Physicians for Social Responsibility Iowa Chapter

Plymouth UCC Peace Committee, Des Moines, IA

Presbyterian Church (USA)

Prevent Nuclear War/Maryland

Project Blueprint

Riverdale-Yonkers Society for Ethical Culture, NY

RootsAction[.]org

Save the Children US

Sisters of Mercy of the Americas - Justice Team

Sisters of St. Dominic of Blauvelt. New York

Socal Friends of the World Social Forum

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

US Labor Against the War

Washington Global Health Alliance

WESPAC Foundation

Western New York Peace Center

Win Without War

Women Against War

Women's Refugee Care

Yemen Relief and Reconstruction Foundation

Yemeni Alliance Committee

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