

May 22, 2020

Dear Representative,

While I sincerely appreciate your recognition of our common humanity by providing some critical humanitarian, peacebuilding, human rights, and poverty-focused programs in response to COVID-19 in previous emergency supplemental legislation, I am alarmed that the HEROES Act contained no such support. New legislation to provide swift international assistance is needed urgently.

As the United States faces an escalating health crisis at home, we cannot afford to ignore the situation among our neighbors beyond our borders. The spread of COVID-19 in developing countries will hamper the United States' efforts to contain the pathogen domestically, impede global and domestic economic recovery, and intensify the political instability and human suffering that have contributed to high levels of migration in recent years. The United Nations World Food Program estimates that, as a result of the pandemic, 265 million people could face starvation by the end of the year. A report 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 now.

I 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. Congress should 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 contains:

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," an emergency financial liquid resource that is without any cost to U.S. taxpayers. I repeat, it costs nothing to the U.S. taxpayer for the IMF to issue SDRs.

A special international reserve asset 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.

The IMF last issued SDRs in 2009 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 \$3 trillion SDRs will ensure 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 estimated \$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.

According to a poll released by the U.S. Global Leadership Coalition, people in the U.S. overwhelmingly support increased foreign assistance due to the pandemic, with 80% of poll respondents agreeing that assistance to other countries to fight diseases makes us safer.

**Please contact [alex.campbell@mail.house.gov](mailto: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.