

January 26, 2010

The Honorable Timothy Geithner  
Secretary of the Treasury

Dear Mr. Secretary:

We are grateful for the US government's efforts to date to mobilize emergency assistance for disaster relief in Haiti.

We are writing today to bring to your attention two specific steps that we believe should be a part of our government's response to the Haiti crisis: (1) support for the cancellation of Haiti's remaining debts; and (2) ensuring that any disaster relief assistance be provided as grants rather than loans.

First, as you know, in June 2009 Haiti secured \$1.2 billion in debt cancellation from its major creditors when it reached completion point in the Heavily Indebted Poor Countries (HIPC) Initiative. This was a critical step forward. But even after this relief, Haiti remains saddled with a debt of more than \$1 billion.

More than half of Haiti's outstanding debt is owed to the Inter American Development Bank (IDB) (\$442 million), the International Monetary Fund (IMF) (\$165 million), and the World Bank's International Development Association (IDA) (\$39 million) -- institutions where our government has a significant voice on the Executive Board. Haiti is projected to pay at least \$100 million in debt payments to these institutions over the next five years unless these debts are cancelled -- and the earthquake now has devastated Haiti's capacity to generate sufficient export revenue to be able to afford these payments.

We have welcomed statements from IMF and IDB officials of their intentions to consider cancellation of Haiti's remaining debt. We urge you to use your voice and vote on the Executive Boards of the IDB, IMF, and World Bank to secure cancellation of Haiti's remaining debts to these institutions. While arrangements are worked out for cancellation, we urge you to call for a moratorium for debt service payments from Haiti to these institutions, without interest accruing.

Second, we welcome the pledges of additional financial assistance from international governments and international financial institutions, as we acknowledge that all available resources must be delivered to Haiti in as timely a manner as possible. However, we urge that all support be in the form of grants instead of loans.

While we were initially concerned when the International Monetary Fund announced its intention to provide \$100 million in loan assistance as part of an existing loan agreement that includes some onerous conditions, we welcomed IMF Managing Director Dominique Strauss-Kahn's recent promise that the IMF intends to work to cancel all of Haiti's debt including this new loan. We urge you to work with the IMF to ensure that all assistance,

including the new IMF loan, is provided on grant terms and without requirements of existing loans.

We thank you for your consideration of our views on this critical issue.

Sincerely,

AFL-CIO

ONE

Jubilee USA Network

Oxfam America

Partners In Health

Bread for the World

United Methodist Church, General Board of Church and Society

American Jewish World Service

The Episcopal Church

Evangelical Lutheran Church in America

Presbyterian Church USA

Sojourners

United Church of Christ- Justice and Witness Ministries

Lutheran World Relief

Leadership Conference of Women Religious

Unitarian Universalist Association of Congregations

Global Exchange

Africa Action

TransAfrica Forum

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CC: Dominique Strauss-Kahn, Managing Director, International Monetary Fund  
Luis Alberto Moreno, President, Inter American Development Bank

Foreign Policy in Focus

Maryknoll Office for Global Concerns

Micah Challenge USA

NETWORK: National Catholic Social Justice Lobby

Gender Action

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Africa Faith and Justice Network

Jewish Council for Public Affairs

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Maryknoll Affiliates Global Concerns Committee

Maryknoll Sisters

Maryknoll Sisters of St. Dominic

CCIDD

Diocese of Toledo, Office of Global Concerns

Franciscan Sisters of the Atonement

InterReligious Task Force on Central America

Leadership of the Franciscan Sisters of Little Falls, Minnesota

Leadership Council of the Sisters, Servants of the Immaculate Heart of Mary of Monroe, MI

Institute Justice Team, Sisters of Mercy of the Americas

Adorers of the Blood of Christ, US Region

Brothers of the Sacred Heart, New England Province

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Our Lady Queen of Peace Catholic Church

Provincial Council, St. John the Baptist Province

School Sisters of Notre Dame Shalom North America Coordinating Committee

School Sisters of St. Francis, International and US Province Leadership Teams

Sisters of St. Francis, Tiffin, Ohio

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Sisters of the Sacred Hearts of Jesus and Mary

Passionist Overseas Missions

Miramar Retreat Center

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Congregation of Sisters of St. Agnes, Fond du Lac, WI

Mission Resource Center

Society for the Propagation of the Faith

Springfield Dominican Leadership Team

Springfield Dominican Office of Justice

Redemptorists-Denver Province