

October 1, 2002

The Honorable Henry J. Hyde
US House of Representatives
2110 Rayburn House Office Building
Washington, DC 20515

Dear Representative Hyde:

We write to urge you to include the provisions on debt relief found in H.R. 4524, the Smith-LaFalce bill, in the compromise version of the bill to combat HIV/AIDS, TB and malaria. Similar language is in Title 3 of the Senate version of the legislation. This proposal is an important step in helping the most impoverished countries lift the burden of debt that continues to draw precious resources away from fighting poverty and infectious diseases for debt repayments to the richest countries and institutions. We do not want to see significant resources contributed by U.S. taxpayers to fight the scourge of HIV/AIDS recycled into debt payments to the IMF or other bilateral and multilateral creditors.

There are currently 26 impoverished countries that have qualified for the Enhanced HIPC Initiative, most of which have a severe HIV/AIDS problem. So far, these countries have seen their annual debt service payments reduced by one-third, from \$3 billion per year to \$2 billion per year. With these savings, HIPCs have increased spending for health, education and other critical development needs. For example, Malawi is using debt relief to finance the purchase of critical drugs for hospital and health centers and hiring extra staff, and Uganda's debt savings have contributed to the marked decrease in HIV prevalence and a doubling in primary school enrollment.

Deeper relief, however, is badly needed for two reasons. According to a recent General Accounting Office analysis, few HIPCs will be able to sustain their debt burdens even after completing the current debt relief program, in large part due to plummeting commodity prices and a global economic slowdown. In addition, these countries need to keep as many of their own resources at home as possible in order to reach their development and poverty reduction goals. H.R. 4524, by cutting an additional \$1 billion in annual debt service, is a positive response to both of these problems.

Again, we urge you to support these debt relief provisions as the global health legislation moves forward. Thank you for your consideration.

Africa Faith and Justice Network
The Africa Society of the National Summit on Africa
American Jewish World Service
Bread for the World
Catholic Relief Services
Center for Economic and Policy Research
Christian Reformed World Relief Committee
Church World Service
Episcopal Church, USA
Evangelical Lutheran Church in America
Global AIDS Alliance
Jubilee USA Network
Lutheran World Relief
Maryknoll Office for Global Concerns
Mennonite Central Committee, U.S. Washington Office
National Council of the Churches of Christ in the USA
Oxfam America
Presbyterian Church (USA), Washington Office
Society of Missionaries of Africa,
 North American Province
Union of American Hebrew Congregations
United Methodist Church,
 General Board of Church and Society
United States Conference of Catholic Bishops
Washington Office on Africa
World Vision