

February 8, 2008

# Support Debt Cancellation for Haiti

Dear Colleague:

We ask you to join us in sending a letter to the Secretary of the Treasury to urge him to use his influence to expedite the cancellation of Haiti's debts to the World Bank, the Inter-American Development Bank, and other multilateral financial institutions and to urge an immediate suspension of all further debt service payments from Haiti to these institutions.

These institutions have already agreed to cancel Haiti's debts, but under the Heavily Indebted Poor Countries (HIPC) Initiative, Haiti must complete a number of final steps before receiving debt cancellation. However, Haiti is the most impoverished country in the Western Hemisphere – many believe it should have been admitted to the HIPC process ten years ago – and for a number of reasons would benefit from an immediate cessation of debt service payments.

Haiti endured two hurricanes last year, following three years of civil conflict and decades of environmental devastation. Tens of thousands of people have either lost their homes or seen them severely damaged. Thousands remain in temporary shelters, and the combination of the two storms last year has devastated harvests throughout the island.

Given these circumstances, we feel that the people of Haiti would be better served if the government could use its limited resources to address the environmental crisis, improve healthcare, expand access to education, and reform the justice system. Haiti's government has already agreed to use the savings from debt service relief for these purposes.

Please join us in urging the Secretary of the Treasury to do everything in his power to suspend Haiti's debt service payments and expedite debt cancellation for Haiti. The letter is on the reverse. If you have any questions or would like to sign on to the letter, please contact Kathleen Sengstock of Congresswoman Waters' staff at 52201.

Sincerely,

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Maxine Waters

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Spencer Bachus

February \_\_, 2008

The Honorable Henry M. Paulson, Jr.

Secretary of the Treasury

Department of the Treasury

1500 Pennsylvania Ave., NW

Washington, DC 20220

Dear Secretary Paulson:

We urge you to use your influence to expedite the cancellation of Haiti's debts to the World Bank, the Inter-American Development Bank, and other multilateral financial institutions and to urge an immediate suspension of all further debt service payments from Haiti to these institutions.

As you know, these institutions have already agreed to cancel Haiti's debts, but under the Heavily Indebted Poor Countries (HIPC) Initiative, Haiti must complete a number of final steps before receiving debt cancellation. However, Haiti is the most impoverished country in the Western Hemisphere – many believe it should have been admitted to the HIPC process ten years ago – and for a number of reasons would benefit from an immediate cessation of debt service payments.

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We think it would be best if Haiti reached the "completion point" for the HIPC process immediately and had its debts cancelled. In the interim, before such cancellation takes place, we urge you to call for an immediate suspension of all further debt service payments from Haiti to the multilateral financial institutions. We understand that Haiti is scheduled to send \$48.7 million to these institutions in 2008. Clearly, this money would be better spent on basic infrastructure and poverty reduction for the Haitian people.

We appreciate your continuing support for debt cancellation for poor countries, and we hope you will do everything in your power to suspend Haiti's debt service payments and expedite debt cancellation for Haiti.

Sincerely,