



A Catholic Campaign Against Global Poverty



Update June 2006

In a world where nearly half of our sisters and brothers live in poverty, our Catholic faith calls us to protect human life and dignity. The United States Conference of Catholic Bishops (USCCB) and Catholic Relief Services (CRS) invite Catholics throughout the U.S. to join us in a *Catholic Campaign Against Global Poverty* as we advocate for U.S. policies that foster economic and social development for people living in poverty throughout the world. This update is a short summary of current Campaign activities on aid, trade and debt. Visit the Campaign website at www.usccb.org/globalpoverty or www.crs.org/globalpoverty for timely alerts and more information.

Foreign Aid

The *Catholic Campaign Against Global Poverty* calls for the U.S. to increase and reform development aid to poor countries. USCCB and CRS have set these priorities for Foreign Aid for Fiscal Year 2007:

- ✓ **\$5 billion** to fund development and humanitarian accounts, on which many developing countries depend for survival and poverty reduction;
- ✓ **\$150 million** in humanitarian assistance to address the deepening poverty and unemployment among the Palestinian people;
- ✓ **\$3 billion** for the *Millennium Challenge Account*, the President's initiative that promises to unite poverty reduction with better and stronger governance in poor countries;
- ✓ at least **\$3.7 billion** for morally appropriate programs to combat *HIV/AIDS*, tuberculosis, and malaria;
- ✓ **\$1.2 billion** for *Migration and Refugee Assistance* (MRA) and **\$55 million** for *Emergency Refugee and Migration Assistance* (ERMA) to help protect and settle some of the world's most vulnerable people;
- ✓ **\$950 million** for the International Development Association (IDA) that is necessary to fund the Administration's commitment to cancel 100% of the debt owed by *heavily indebted poor countries* to major international financial institutions; and
- ✓ **\$2 billion** for Title II Food for Peace with authorization of up to 25% for local purchase of food to help meet chronic situations of hunger and underdevelopment.

ACTION: Please ask your Members of Congress to support these priorities in FY 2007 budget.

Trade

The *Catholic Campaign Against Global Poverty* calls on the U.S. to make development and overcoming poverty central to trade policy.

Haiti: CRS and USCCB are urging Congress to pass "trade preference legislation" for Haiti to offer Haitian exporters preferential access to the U.S. market for textile products. This legislation would offer an incentive for large retail stores such as *JCPenny's* to get their products from Haiti. While the volume of trade is small in comparison to overall U.S. imports, the benefits to Haiti, the poorest country in the Hemisphere, could be significant, creating up to 80,000 new jobs.

With a newly elected President, Haiti is looking forward to stability and democratic reform. Passing a trade preference bill would generate employment,

promote economic growth in Haiti, and be a concrete sign of U.S. commitment to the future rebuilding of a country that has suffered so much.

ACTION: Please urge your Members of Congress to support the *Haiti Economic Recovery Opportunity (HERO) Act*.

- ✓ In the Senate: **S. 1937** HERO Act, sponsored by Senator DeWine (R-OH)
- ✓ In the House: **H.R. 4211** HERO Act, sponsored by Representative Meek (D-FL)

If Members have already endorsed or co-sponsored the HERO Act, please thank them.

The 2007 Farm Bill: Reforming U.S. farm programs is an issue of global fairness. As Congress prepares to write a new Farm Bill in 2007, there will be a chance to ensure that global agriculture works for the poorest among us.

Certain U.S. agricultural subsidies hurt poor farmers in developing countries and violate the commitments of the United States under the World Trade Organization (WTO). In 2005, subsidies to the U.S. agricultural sector exceeded \$20 billion. Many of these payments encourage farmers to overproduce. Excess production is exported, often at less than the cost of production, through a practice known as 'dumping.' Dumping floods the world market, lowers prices and ultimately reduces the income of poor farmers around the world.

Creating an equitable trading system for global agriculture is one of the key elements in stimulating growth and reducing global poverty. In the coming months, USCCB and CRS will be urging reform of U.S. agricultural policies. These reforms will focus on the following priorities:

- supporting small and medium-sized farmers in the United States and around the world;
- protecting the environment;
- promoting rural development; and
- providing safe and healthy food to the hungry.

The Catholic Campaign Against Global Poverty, will urge lawmakers to reform the Farm Bill by reducing subsidies and creating an environment where the poor can make a living and support their families.

Debt Relief

The Catholic Campaign Against Global Poverty calls for the U.S. to promote greater debt relief to free up resources in developing countries to reduce poverty through development.

USCCB and CRS have been major champions of poor-country debt relief for many years. Debt cancellation allows countries to use more of their own resources to reduce poverty. The debt relief given so far has helped to more than double school enrollment in Uganda, vaccinate 500,000 children in Mozambique and add three more years of schooling for Honduran children.

A major breakthrough occurred in July 2005 when leaders of the major industrialized countries (the G8) announced a proposal to cancel 100% of the debt owed to the World Bank's International Development Association (IDA), the African Development Fund, and the International Monetary Fund.

Seventeen Heavily-Indebted Poor Countries (HIPC) have already been declared eligible for debt cancellation and 25 additional countries could become eligible, but there are even more poor countries that need debt relief, and debt owed to the Inter-American Development Bank (IDB) is not included. IDB debt cancellation is important to Honduras, Nicaragua, Bolivia, Haiti and Guyana.

Congress appropriated \$950 million for IDA in the FY06 Foreign Operations bill to meet the U.S.'s initial commitment to finance a share of the new debt cancellation.

To ensure that debt relief moves forward and is expanded, Congress must take two key steps:

(1) **Pass legislation** to urge the U.S. Treasury to negotiate expansion of the countries eligible for debt cancellation and to support of cancellation of debt owed to the IDB.

(2) **Provide \$950 million to IDA** that is necessary in FY07 to fund the Administration's commitment to cancel 100% of the debt owed by *heavily indebted poor countries* to major international financial institutions.

ACTION: Please urge your Members of Congress to support the "Multilateral Debt Relief Act of 2005."

- ✓ In the Senate: **S. 1320**, sponsored by Senator Mike DeWine (R-OH); and
- ✓ In the House: **H.R. 3191**, sponsored by Representative Chris Smith (R-NJ).

And in both the houses, urge Members to support:

✓ **\$950 million for IDA in the FY07 Foreign Operations bill**

If Members have already endorsed or co-sponsored the Multilateral Debt Relief Act, please thank them for their support.

For more information and timely action alerts, visit
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