

United States Senate

WASHINGTON, DC 20510

January 31, 2022

The Honorable Charles Schumer
Senate Majority Leader
United States Senate
Washington, D.C. 20510

Dear Majority Leader Schumer:

We write to you regarding the ongoing need for U.S. leadership in the global response to the COVID-19 pandemic, especially to further address negative impacts on the world's poorest countries. Specifically, we wish to call your attention to the House of Representatives' adoption of \$900 billion in assistance to low-income and developing countries via the International Monetary Fund (IMF) in the *2022 State, Foreign Operations, and Related Programs (SFOPs) Appropriations Act*.¹ Given the ongoing global health and economic crisis, we ask that you support the IMF assistance authorization passed by the House when the *SFOPs Appropriations Act* goes to conference.

COVID-19 continues to spread rapidly worldwide, deepening hunger, inequality, poverty, and disease. Less than 10 percent of people living in low-income countries have received at least one vaccine dose, endangering their lives and – because of threats from potential new variants of the virus – the lives of Americans.² Meanwhile, the Omicron variant is setting new infection records and necessitating vaccine boosters or even updated vaccines to adequately protect people's lives and livelihoods.³ After relatively stable world hunger rates for the previous five years, nearly one-tenth of the global population, or about 811 million people, went hungry in 2020, and 30 million more people are expected to face hunger in 2030 than otherwise would have had the pandemic not occurred.⁴ We cannot stand idly by while the virus continues to ravage the global population, potentially spawning further dangerous new variants, holding back the global economic recovery, and exacerbating the tenuous economic situation of millions in poverty.

¹ Department of State, Foreign Operations, and Related Programs Appropriations Act, 2022, H.R. 4373, <https://www.congress.gov/bill/117th-congress/house-bill/4373/text>.

² Our World in Data, "Coronavirus (COVID-19) Vaccinations," accessed January 13, 2022, <https://ourworldindata.org/covid-vaccinations>.

³ CNBC, "WHO says omicron cases are 'off the charts' as global infections set new records," Lauren Feiner, January 12, 2022, <https://www.cnbc.com/2022/01/12/who-says-omicron-cases-are-off-the-charts-as-global-infections-set-new-records.html>; The Harvard Gazette, "No Omicron immunity without booster, study finds," MGH News and Public Affairs, January 7, 2022, <https://news.harvard.edu/gazette/story/2022/01/no-omicron-immunity-without-booster-study-finds/>; CNBC, "Pfizer CEO says omicron vaccine will be ready in March," Spencer Kimball, January 10, 2022, <https://www.cnbc.com/2022/01/10/covid-vaccine-pfizer-ceo-says-omicron-vaccine-will-be-ready-in-march.html>.

⁴ UNICEF, "The State of Food Security and Nutrition in the World 2021," July 2021, <https://data.unicef.org/resources/sofi-2021/>.

We applaud the IMF's use of existing quotas on August 23, 2021 to release \$650 billion in the IMF currency of Special Drawing Rights (SDRs), which allowed the IMF to provide monetary assistance to the most vulnerable countries struggling with the impact of the pandemic and imposed no direct cost on U.S. taxpayers.⁵ The Trump administration had ignored the needs of the global community, but the leadership of President Biden and Secretary Yellen helped make this IMF relief possible.⁶

Still, the pandemic continues to rage, and our efforts to address its ongoing fallout must remain strong. While the IMF's August SDR issuance is a major step forward, it falls far short of IMF Managing Director Kristalina Georgieva's estimate that "the overall financial needs of emerging markets is 2.5 trillion dollars."⁷ Further IMF action is needed, but requires Congressional authorization.⁸ Thus, in 2021, several of us wrote to the U.S. Department of the Treasury, calling for partnership with Congress to enact a proposal to issue 2 trillion in SDRs.⁹ This amount matched that specified in the *Support for Global Financial Institution Pandemic Response Act of 2021*¹⁰ and passed by the House of Representatives in the 116th Congress.¹¹

Given the ongoing global economic and public-health crisis, the House of Representatives adopted an authorization of an additional 1.5 trillion SDRs in H.R. 4373, the *2022 SFOPs Appropriations Act*.¹² If enacted, this additional SDR issuance passed by the House would provide developing economies with roughly more than \$900 billion in reserves, or the difference between the amount authorized by the Biden administration under its existing authority and what Members of Congress have called for in the *Support for Global Financial Institution Pandemic Response Act of 2021*.¹³

⁵ International Monetary Fund, "2021 General SDR Allocation: SPECIAL DRAWING RIGHTS," Last Updated on August 23, 2021, <https://www.imf.org/en/Topics/special-drawing-right/2021-SDR-Allocation>.

⁶ Reuters, "Yellen backs new allocation of IMF's SDR currency to help poor nations," Andrea Shalal, David Lawder, February 25, 2021, <https://www.reuters.com/article/us-g20-usa/yellen-backs-new-allocation-of-imfs-sdr-currency-to-help-poor-nations-idUSKBN2AP1U0>.

⁷ IMF, "Transcript of Press Briefing by Kristalina Georgieva following a Conference Call of the International Monetary and Financial Committee," March 27, 2020, <https://www.imf.org/en/News/Articles/2020/03/27/tr032720-transcript-press-briefing-kristalina-georgieva-following-imfc-conference-call>.

⁸ Congressional Research Service, "International Monetary Fund: Special Drawing Rights Allocation," May 19, 2021, https://www.everycrsreport.com/files/2021-05-19_IF11835_51960dca8c22d30a8e64b2efee9d6f2cd831f9e9.pdf.

⁹ Office of Senator Dick Durbin, "Durbin, Sanders, Garcia, Colleagues Call On Treasury To Support IMF Assistance For Developing Nations Amid COVID-19 Pandemic," press release, January 25, 2021, <https://www.durbin.senate.gov/newsroom/press-releases/durbin-sanders-colleagues-call-on-treasury-to-support-imf-assistance-for-developing-nations-amid-covid-19-pandemic>.

¹⁰ Support for Global Financial Institution Pandemic Response Act of 2021, S. 67, <https://www.congress.gov/bill/117th-congress/senate-bill/67>.

¹¹ Defense, Commerce, Justice, Science, Energy and Water Development, Financial Services and General Government, Labor, Health and Human Services, Education, Transportation, Housing, and Urban Development Appropriations Act of 2021, H.R. 7617, <https://www.congress.gov/bill/116th-congress/house-bill/7617/text>.

¹² Department of State, Foreign Operations, and Related Programs Appropriations Act of 2022, H.R. 4373, <https://www.congress.gov/bill/117th-congress/house-bill/4373/text>.

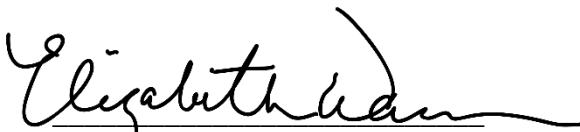
¹³ Support for Global Financial Institution Pandemic Response Act of 2021, S. 67, <https://www.congress.gov/bill/117th-congress/senate-bill/67>; Congresswoman Pramila Jayapal, "Jayapal Helps Secure Nearly \$1 Trillion in Direct Economic Support for the Developing World," July 29, 2021, <https://jayapal.house.gov/2021/07/29/economic-support-for-developing-world/>.

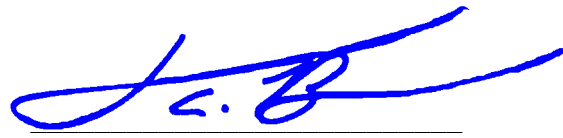
It is time for the Senate to ensure that such a SDRs authorization passes into law. The Senate can and should pass such an authorization itself, but another path forward is to support the SDRs authorization passed by the House when the *SFOPs Appropriations Act* goes to conference. Doing so will provide low-income and developing countries with the resources to acquire vaccines and maintain strong public health budgets, assisting in the effort to end the pandemic before more vaccine-resistant strains emerge that threaten our recovery at home. Additionally, by demonstrating its leadership at the IMF, the United States will showcase its leadership in resolving global challenges through international, multilateral institutions we steward, making it less likely that countries in need will turn to China or other non-allied countries for support.

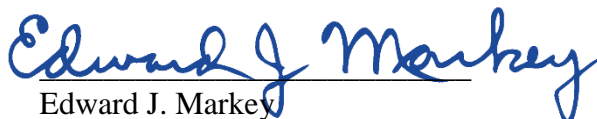
A full 1.5 trillion SDRs authorization is needed to deliver the support needed by low-income countries. In addition, a smaller but still meaningful step would be to include language in the final *SFOPs Appropriations Act* authorizing the creation of a SDRs “recycling” mechanism at the IMF. Under this new lending mechanism, the United States could pool existing SDRs from the 2021 allocation with other wealthy countries, and distribute them to less developed countries.


We thank you for your attention to this vital issue and ask that you work closely with House leadership to enact an authorization of 1.5 trillion SDRs via the *2022 SFOPs Appropriations Act* to hasten the end of the pandemic, strengthen the global recovery, create American export-related jobs, and showcase the continued power of a U.S.-led multilateral solution to resolving the world’s greatest humanitarian, economic and public-health challenges.


Sincerely,



Elizabeth Warren
United States Senator

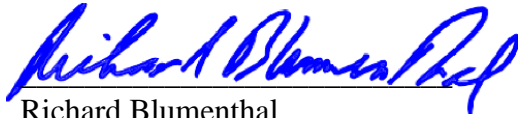

Cory A. Booker
United States Senator


Edward J. Markey
United States Senator


Bernard Sanders
United States Senator


Jeffrey A. Merkley
United States Senator


Ron Wyden
United States Senator



Richard Blumenthal
United States Senator



Alex Padilla
United States Senator



Robert P. Casey, Jr.
United States Senator



Tammy Baldwin
United States Senator

CC:

- Sen. Patrick Leahy, Chairman of the Senate Committee on Appropriations
- Sen. Christopher Coons, Chair of the State, Foreign Operations, and Related Programs Subcommittee, of the Senate Committee on Appropriations
- Sen. Jack Reed, Chairman of the Senate Armed Services Committee
- Sen. Bob Menendez, Chairman of the Senate Foreign Relations Committee
- The Hon. Janet Yellen, Secretary of the Treasury