



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

18 January, 2010

Thank you for your letter about Haiti, following the devastating earthquake of Tuesday 12 January.

The Government shares your sympathy for all those affected by the situation in Haiti. This is a major international humanitarian disaster and a tragedy for the people of Haiti. There is a massive relief operation underway, in which the UK is playing a major role. We have pledged £20 million (over \$30m) in urgent aid and are proud of the major contribution of the British people to the relief effort through the Disasters Emergency Committee (DEC). Every pound makes a difference.

You raise concerns over Haiti's debt repayments. We agree that it is important that Haiti's debt does not get in the way of the reconstruction effort. In recent months, Haiti has received substantial debt relief following its completion of the Heavily Indebted Poor Countries (HIPC) Initiative in June 2009. At this point, the UK cancelled all debts owed to it by Haiti, as did other major bilateral creditors who are members of the Paris Club. The World Bank and Inter-American Development Bank also cancelled 100% of eligible debts at this time. In total, creditors are expected to cancel \$1.2bn of debt. We are calling on all bilateral creditors of Haiti, especially Taiwan and Venezuela (the principal outstanding bilateral creditors), to urgently provide the debt relief expected under HIPC.



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I would also like to clarify the situation regarding Haiti's outstanding IMF debt. Haiti is not expected by the IMF to make any debt repayments before 2012, meaning the reconstruction effort will not be affected by payments to the IMF. Going forward it will be important that Haiti receives development support on terms consistent with its future debt sustainability.

Thank you again for making me aware of your concerns at this tragedy for the people of Haiti.

Yours sincerely,
Stephen Timms

Rt Hon Stephen Timms MP