

IT'S TIME TO PUT AN END TO THE PRACTICES OF "VULTURE FUNDS" THAT PREY ON IMPOVERISHED COUNTRIES THAT HAVE RECENTLY RECEIVED DEBT RELIEF.

THE PROBLEM

Debt cancellation agreed upon by the global community gives impoverished countries a chance to start fresh and spend more money on health, education, and other essential social services. But while countries and international organizations have been giving some countries debt relief, a new form of business has emerged, with the purpose of making huge profits on poor country debt. This new business by so-called "vulture funds" comes at the expense of the citizens of these indebted countries — some of the poorest in the world — as well as taxpayers in countries like the United States, who have been supporting in part the cost of debt relief.



A 'vulture fund' is a company that buys up the debt of poor countries at a big discount from the original owner with the purpose of suing the indebted country in court once it has some money (often after debt cancellation).

The actions of several unethical vulture funds are threatening to undermine some of the hard-won gains of the international campaign for impoverished country debt cancellation. Last year, one such vulture fund, Donegal International, got hold of \$15 million from Zambia, money that was freed up by debt relief and should have been used for the fight against HIV/AIDS and poverty. Zambia was not alone: A 2007 report on vulture funds by IMF staff showed that 11 out of 24 poor countries approached said they were involved in litigation worth a total of \$1.8 billion with 46 creditors. Now Liberia, a country emerging from decades of devastating civil war, faces the possible threat of vulture lawsuits as it tries to clear up its illegitimate debt with the international community.

THE CAMPAIGN

Action is needed now to put an end to vulture fund profiteering. That's why Africa Action, Jubilee USA Network, and TransAfrica Forum are joining forces in a joint campaign to "Stop the Vulture Culture." The campaign includes public education, grassroots action, and targeted advocacy with policymakers and banks.

WHAT CAN YOU DO?

- ➔ **Get educated.** Check out educational materials to learn more about vulture funds, read case studies, watch videos, and more.
- ➔ **Educate your community.** Check out a sample presentation on our website that you can use to educate your family, friends, church community, campus group or local Jubilee chapter about vulture funds.
- ➔ **Sign the petition.** Sign onto the petition to leading private banks, urging them to pledge not to sell their claims on poor countries on the secondary market to vulture funds.
- ➔ **Take action.** Watch this space for new and exciting opportunities to advocate for new laws in the United States to challenge the practices of vulture funds.