

TAKE ACTION: PETITION

Dear Private Bank,

Debt cancellation agreed by world leaders and international financial institutions 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 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.



These ‘vulture funds’ are buying 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 a few irresponsible 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 \$1.8bn 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.

As customers and concerned global citizens, we are asking you, as a responsible bank committed to corporate social responsibility, to do your part to stop the practices of vulture funds.

In May 2007, members of the Paris Club committed not to sell their debt claims on countries eligible for the IMF/World Bank Heavily Indebted Poor Countries (HIPC) initiative to creditors who do not intend to provide debt relief under HIPC terms. More creditors, including private banks, should follow their lead. This would make a big dent in the problem and slow the emergence of new vulture fund suits.

For this reason, we are asking you as a responsible private creditor to commit not to on-sell your sovereign debt claims on low-income countries to creditors that have not explicitly stated their commitment to cooperate in international debt restructuring or relief efforts. In this way we can ensure that the gains of debt relief are not compromised by the actions of a few unethical actors.

Sincerely,

NAME	EMAIL	ADDRESS	PHONE