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# DROP THE DEBT

NEWS & ACTION FROM JUBILEE USA NETWORK, WASHINGTON, DC | SPRING 2009



## CRISES SHARE SIMILAR CAUSES

**T**he current economic crisis affects us all: many Americans have lost their jobs and homes while around the world 119 million people have been pushed into extreme poverty since it began. Experts expect developing countries' economic growth to decline by at least 25% just as non profit donors and wealthy governments may be forced to cut assistance.

Expanded debt cancellation is now more important than ever for countries of

the South: it could immediately help free up desperately needed funds to address the impact of the financial crisis and meet basic human needs in impoverished countries. Jubilee USA has produced a new resource examining similarities between the policies promoted by the sub-prime mortgage industry in the US and policies that helped fuel the Third World debt crisis.

► **READ** our new resource at [www.jubileeusa.org/crisis](http://www.jubileeusa.org/crisis)

## EXCITING OPPORTUNITIES IN 2009

**T**his year promises to be a busy and exciting year for Jubilee supporters. A new administration and a new Congress mean new opportunities for advancing our policy goals of expanded debt cancellation and more responsible lending policies by the international financial institutions.

**As for Congress, the Jubilee Act for Responsible Lending and Expanded Debt Cancellation will be re-introduced in the House and Senate this spring by a bi-partisan group of legislators.** The bill instructs the administration to negotiate at the international level to expand debt cancellation to up to 25 additional well-governed poor countries without requiring the implementation of economic policies that hurt the poor. Representative Maxine Waters (D-CA) and colleagues also plan to re-introduce the Stop VULTURE Funds Act, which seeks to curb vulture fund lawsuits against poor countries that have gotten debt relief by limiting the profits vulture funds can collect in US courts. We'll also be urging Congress to condition the sale of IMF gold on IMF reform and the creation of a special fund for future debt relief.

We're also reaching out directly to the new Obama Administration and Treasury Secretary Timothy Geithner to build on President Obama's past support for debt cancellation. **Our medium term goal is to urge President Obama to put expanded debt cancellation and an international agreement for more responsible lending on the agenda of the June 2010 G-8 summit to be held in Canada.**

**We need your help to pass the Jubilee Act and push the Obama administration to support our goals.** Get involved – Check out the 2009 Calendar for all the details on our annual grassroots conference, October lobby days, the Stand Up, Take Action Days, and Jubilee Sunday!

► **LEARN MORE** about Jubilee's plans for the year & its new detailed 4 year strategic plan at [www.jubileeusa.org/about-us/strategicplan](http://www.jubileeusa.org/about-us/strategicplan)

**THE POLICY INSIDER**  
©What's  
New on  
the Debt  
Radar



■ On January 29, **Burundi** became the 24th country to reach Completion Point in the Heavily Indebted Poor Country (HIPC) initiative, cancelling \$833 million in foreign debt. Debt relief will free up resources to help Burundi achieve the Millennium De-

velopment Goals. Burundi's debt cancellation had been delayed due to demands from the World Bank that Burundi privatize its coffee industry.

■ **Haiti's** completion of the HIPC initiative has again been delayed. As Haiti struggles in the aftermath of 4 devastating storms, Haiti is still sending \$1.5 million in debt service payments every month to the World Bank. In February, 72 Members of Congress sent a letter to World Bank President Zoellick urging immediate debt cancellation for Haiti. Visit [www.jubileeusa.org/haiti](http://www.jubileeusa.org/haiti) for more info.

■ In early January, the World Bank announced that it was providing a grant with financial support from the US to help **Liberia** buy back much of its commercial debt from its creditors for pennies on the dollar. This is an important step towards Liberia's freedom from the possible threat of lawsuits by "vulture funds."

■ In December, the Government of **Ecuador** repudiated some of its commercial debts after its Public Debt Audit Commission found evidence of illegality and illegitimacy. Last year, Ecuador paid \$1.75 billion in debt service, more than the government spent on health care, housing and urban development and environmental preservation combined. Paraguay is now set to launch an audit of its historic debt following on Ecuador's example.

► **FOR MORE NEWS** visit [www.jubileeusa.org/thepolicyinsider](http://www.jubileeusa.org/thepolicyinsider)

***"It is immoral for developed countries that are largely responsible for carbon emissions not to provide grants to developing countries."***

— Leo Atakpu, African Network for Environment & Economic Justice



## TIME TO REPAY OUR CLIMATE DEBT

By Dylan Thomas Kesti, Grassroots Intern

**T**he world's richest countries demand billions of dollars annually in debt repayment from the world's poorest countries. These same rich countries in the global North are the leading producers of greenhouse gas emissions which cause climate change, damaging fragile environments in the poorest countries of the global South. The reality is that the North owes the South a profound climate debt, rather than the reverse.

As part of its response to the climate change challenge, the World Bank recently rolled out a new program designed to help countries adapt to climate change. The Bank's new Pilot Program for Climate Resilience (PPCR) relies in part on loans to help countries, which Jubilee USA is concerned will drive poor countries deeper into debt as they struggle to adapt to the climate crisis.

Leo Atakpu, a Jubilee partner and Deputy Executive Director of the African Network for Environment & Economic Justice in Benin City, Nigeria, said, "The World Bank's new program to give loans (and not grants) for adaptation to climate change is a mere action to satisfy the desires of the drivers of neo-liberalism. It is immoral for developed countries that are largely responsible for carbon emissions not to...provide grants to developing countries."

Jubilee USA is a member of the Climate Equity Campaign in the US and works with an international coalition of Northern and Southern environmental and development organizations to call for grants, not loans to finance adaptation to climate change.

► **LEARN MORE** about the connections between debt and climate change at [www.jubileeusa.org/climate](http://www.jubileeusa.org/climate)

► **READ** the complete interview with Leo Atakpu on the Jubilee blog at [www.jubileeusa.typepad.com](http://www.jubileeusa.typepad.com)

**STILL HAVE QUESTIONS?** Contact us at 202-783-3566. We love hearing from you.

Jubilee USA Network is an alliance of more than 75 religious denominations and faith communities, human rights, environmental, labor, and community groups working for the definitive cancellation of crushing debts to fight poverty and injustice in Asia, Africa, and Latin America.

**2009 CALENDAR** Mark your calendars for these key Jubilee events!



**Every 2nd Tuesday** of the month 8:00 PM EST. Join our **Monthly Grassroots Call** to connect with Jubilee activists across the country and get the latest updates. Call: 866-704-7500

Access Code: 560506#

**MARCH 13-16**  
**Ecumenical Advocacy Days,**  
Washington, DC.

**MAY 2 or 9, TBA**  
**Jubilee USA Grassroots Conference,**  
Tulsa, Oklahoma. Day long grassroots education and training conference for Jubilee supporters in Oklahoma and surrounding states. For more info, contact Mercedes Mack at [mercedes@jubileeusa.org](mailto:mercedes@jubileeusa.org)

**OCTOBER 17-18**  
**Jubilee Shabbat and Jubilee Sunday**  
in conjunction with **STAND UP and TAKE ACTION** days against debt and global poverty.

**OCTOBER 25-26**  
**Jubilee USA Training and Advocacy Day** in Washington, DC. Travel scholarships available.

**OCTOBER 26-27**  
**Annual Network Council membership meeting,**  
Washington, DC.

*Jubilee USA relies on your donations to continue our programs. You can give online at [www.jubileeusa.org/support-us](http://www.jubileeusa.org/support-us)*



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