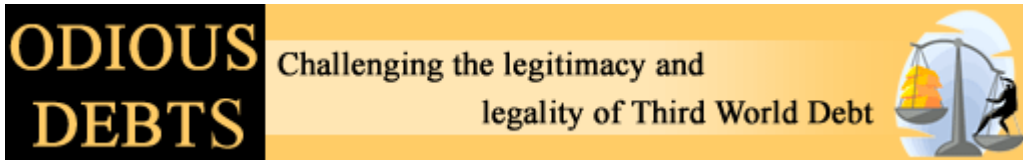


Jubilee Nederland (Henk van den Heuvel)

From: editors@probeinternational.org
Sent: maandag 2 juni 2008 20:40
To: info@jubileenederland.nl
Subject: Odious Debts Online



ODIOUS DEBTS ONLINE - June 2, 2008

NEWS AND ANALYSIS

Audit the debt: Indonesia

The Indonesian debt campaign group Coalition against Debt (KAU) has asked the government of Indonesia to audit the country's foreign debt. KAU is calling on the government to perform special audits of the external debt in an effort to enhance public oversight of the country's current foreign debt management program, its effectiveness and to bring creditor responsibility into closer focus.

"About 40 percent of the State Budget every year is spent on paying installments on the principals of and interest on the country's foreign debt. Because of this situation, the state budget fails to function as an instrument to respect the people's basic rights to education and health," said KAU chairman, Dani Setiawan, at a news conference to announce KAU's call for audits.

He said the people of Indonesia need to know what the benefits of foreign debt are, as well as how indebtedness makes Indonesia susceptible to the policies of creditor countries -- particularly policies with a potential to negatively impact the nation's social, economic, cultural and environmental well-being.

KAU has asked the government for a "more affirmative" debt reduction plan in lieu of the country's current debt restructuring program, which it says has so far failed to free Indonesia of its debt load. KAU has also called on the government to remind the G-8 creditor nations of the commitment they made 10 years ago to forgive the debts of poor countries. Indonesia was not considered eligible for relief by the World Bank and other IFIs at the time but KAU contests that Indonesia should be eligible for the cancellation of "odious debt or debt made by a dictatorial regime such as the New Order government in Indonesia."

[Source](#)

Promises are free

A new Jubilee Debt Campaign report launched this month has [condemned](#) the world's rich nations for their "refusal to cancel 'odious debt'."

The report, "[Unfinished Business](#)," estimates that around \$500 billion of the \$2.7 trillion worth of debt stock owed by developing countries falls into this category of debt, including debt racked up by corrupt or dictatorial regimes that the people they oppressed are still being forced to repay.

The Jubilee report revisits the promises made by G-8 leaders 10 years ago at the 1998 G-8 Summit held in Birmingham, England -- an event that drew more than 70,000 debt activists from around the world to form a human chain around the city centre of Birmingham in a bid to urge world leaders to 'drop the debt'.

The release of the Jubilee report was launched to coincide with the 10th anniversary of that protest.

The report also warns that the world's debt load for poor countries could get worse if the global lending system is not fundamentally reformed, with lenders sharing in the responsibility for poor lending decisions, writes the U.K.'s [Guardian](#) newspaper.

But debt cancellation alone is "not enough," according to Nick Dearden, director of the Jubilee Debt Campaign.

Kenya should follow a policy of debt rejection, not cancellation

by Omtatah Okoiti, Daily Nation, May 10, 2008

Kenya's planning minister Wycliffe Oparanya's recent call for debt cancellation prompts more "serious analysis" than it may have been accorded, writes Omtatah Okoiti, a reporter for the independent Kenyan newspaper, the Daily Nation.

"Although there are compelling moral arguments to cancel" developing world debt, "they don't amount to much when the countries appeal to pity and not to enforceable law. Further, debt relief will not solve the problem of the poor world's poverty if it does not also address the root causes."

The root causes that need to be addressed by industrialized countries include strengthening efforts "to curb graft and help poor countries to crack down on corruption and recoup their stolen assets stashed in their banks."

Okoiti points out that "some of the 'poorest' indebted nations are also those richest in natural resources" but impoverished by governments who "abuse their resources, not because they are indebted to the West."

Canceling the debt "will not automatically improve their situation" says Okoiti, and "might even give bandit governments the funds they need to maintain illicit power."

[Source](#)

Asian Development Bank Audit Reveals Fraud in Afghanistan Projects

Common Dreams.org, May 1, 2008

Washington whistleblower the Government Accountability Project (GAP) claim that a recent audit of work by the Asian Development Bank (ADB) in Afghanistan reveals mismanagement, incompetence, deception of donors, and fraud. The news of the audit by accounting giant PriceWaterhouseCoopers (PWC) coincides with an appeal by ADB to donors for an additional \$12 billion in contributions for bank projects and loans.

See the Common Dreams [report](#) for further details:

"Evidence to support allegations of fraud was submitted to the ADB in 2006 by an external management consultant, who wishes to remain anonymous. He was demoted, terminated without cause, and subsequently 'blacklisted' in the ADB's Database on Consultants.

"Documents he provided to the ADB Country Director for Afghanistan in September 2006 show that the UK's Department for International Development (DFID) funds, earmarked for renewable energy, healthcare, and livestock development with the Agha Khan Foundation and other NGOs were never disbursed. An affidavit obtained by the whistleblower shows that a mobile health clinic the ADB claims to have financed in Northern Afghanistan, where maternal mortality rates are among the highest in the world, never received funding, leaving an extensive district without access to basic health services."

US District Court Decision Holds Development Bank Accountable to Contractors

Decision Implies all Multilateral Development Banks Accountable As Well

Common Dreams.org, May 5, 2008

Washington: The Government Accountability Project (GAP) is applauding a recent decision by the U.S. Court for the District of Columbia holding that a consultant for the Inter-American Investment Corporation (IIC), the private investment arm of the Inter-American Development Bank (IDB), has the right to sue the IIC for breach of implied contract and unjust enrichment. The decision establishes that the IIC, and by implication, international organizations operating under similar charters in the United States, have waived immunity from lawsuits brought against them by external commercial contractors and consultants.

"This ruling sets an important precedent," said Bea Edwards, GAP International Program Director. "The decision means that the multilateral development banks can be sued by contractors and consultants for breaking an agreement. This happens and is threatened far too frequently – especially when the consultant raises issues of corruption."

Probe International's Patricia Adams adds that this ruling may also open the door to lawsuits challenging the enforceability of odious loans made by MDBs.

[Source](#)

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