



MAKEPOVERTYHISTORY
NorthEast

Celebrate

Debt Freedom Day

- and call for more!

Saturday 1st July, Central Newcastle

11.00-11.30 am, Service of Thanksgiving

Brunswick Methodist Church
(off Northumberland Street)

In kind attendance,

The Lord Mayor of Newcastle, Cllr Diane Packham

12.00 noon, Celebration (and Protest!)

Grey's Monument

Family fun, with balloons, music, displays

On this very day, a year since the great national gathering in Edinburgh, the debts to the World Bank, etc, of 18 of the poorest countries will be cancelled. But even for these countries, some debts remain in place and over 60 countries need total debt relief if they are to move out of absolute poverty. So help us celebrate - and call for more. 'Cut the strings!'

Some notes about the debt relief:

The names of the 18 countries which will receive debt cancellation of World Bank debts, etc., on 1st July are as follows:

Benin, Bolivia, Burkina Faso, Cameroon, Ethiopia, Ghana, Guyana, Honduras, Madagascar, Mali, Mozambique, Nicaragua, Niger, Rwanda, Senegal, Tanzania, Uganda, Zambia.

The new deal is called the "Multilateral Debt Relief Initiative (MDRI)"

.....

The G8 debt deal – the facts

With the announcements of final agreement on cancelling debt owed to IDA (World Bank) and the African Development Fund (African Development Bank) during the Spring Meetings of the World Bank and IMF at the end of last month, the 2005 G8 debt proposals are now complete, and it is possible to match reality against the rhetoric and promises of the past year.

Trisha Rogers of Jubilee Debt Campaign said "The delivery of the G8 debt deal will make a significant difference to millions of poor people. We have welcomed the efforts made by the UK government to turn promises into reality; they have recognised the vital role played by campaigners in this achievement. Those campaigners will insist this has to be built on; but it is at least a first step towards an end of the debt crisis."

Caroline Pearce said "There is so much more to be done. This is an important step forward for some countries – but other poor countries are still paying a total of \$100 million every day to the rich world, and the path to achieving debt cancellation is still blocked by damaging and undemocratic conditions."

The components of the G8 debt deal:

► The International Development Association of the World Bank

Debts owed by 18 of the world's poorest countries to IDA at the end of 2003 will be cancelled on 1 July 2006. Another 11 countries already involved in the Heavily Indebted Poor Countries Initiative (HIPC) may well qualify within the next year or two if they meet the onerous requirements demanded by the IMF and the World Bank, and a similar number are eligible in theory to join the process .

► The African Development Fund of the African Development Bank

The African countries included in the WB deal will also receive cancellation, backdated to 1 January 2006, of debts owed to the AfDF at end 2004, on 1 July (subject to formal agreement).

► The International Monetary Fund

19 countries benefited from the cancellation on 6 January 2006 of all debt

owed to the IMF up to the end of 2004.

These three elements are now known as the Multilateral Debt Relief Initiative (MDRI) and together account for potentially around \$50 billion of debt cancellation.

Please note:

- ▶ We reckon the deal involves the cancellation of about \$35 billion immediately and this should rise to about \$50 billion if and when the other 11 make the grade. Taken together with relief already given under HIPC and that given this year to Nigeria, I reckon the J2K/JDC coalition will have cancellation approaching \$150 billion to its credit. "No sense in stopping when you're half way up Everest", Bono said after Cologne, but we weren't half way up - closer to 15%.. We're now probably 25-30% up to the minimum needed for the Millennium Development Goals.
- ▶ This is not 100 per cent cancellation of the debts of the world's poorest countries, since over 60 urgently need 100% cancellation. It isn't even 100 per cent cancellation of the debts for some of the world's poorest countries. It is 100% cancellation of SOME of the debts of SOME of the poorest countries (but a substantial part for the 14 African countries among the 18).
- ▶ This does not mean the world's poorest people are now free of debt. The total debt of Africa is still around \$300 billion; low income countries will still be paying \$100 million each day to the rich countries.
- ▶ To qualify for MDRI debt cancellation countries have already met the conditions demanded by the IMF and World Bank. Jubilee Debt Campaign is campaigning for an end to the undemocratic and damaging economic policy conditions attached to debt relief which have undermined the positive benefits of debt relief.
- ▶ Tanzania has already decided how to use the \$338 million received as a result of IMF debt cancellation. \$50 million may be spent immediately on its drought-related emergency situation; there will be food imports to provide free or heavily subsidised food to some 3.7 million food-insecure citizens. It will also be used for the purchase or lease of new power generation capacity, thus alleviating power rationing which has affected mostly households and small businesses.