

## DEBT RELIEF FOR HURRICANE-HIT ISLANDS

A petition to all creditors, including the IMF and World Bank,

We ask you to:

- Declare an immediate moratorium on all debt payments for Dominica, Antigua & Barbuda, Cuba and any other countries drastically impacted by hurricanes in recent weeks.
- Reduce debts for all Caribbean countries to a sustainable level, and give assistance to rebuild as grants, not loans.
- In light of the increased risks from climate change, create a permanent mechanism to suspend debt payments and reduce debt payments to a sustainable level, for all vulnerable countries hit by disasters.

Full name \_\_\_\_\_

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JUBILEE DEBT CAMPAIGN

28 CHARLES SQUARE

LONDON

N1 6HT

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If you're a UK taxpayer, we can reclaim an extra 25% in tax on your donations. Please tick the box, then sign and date.

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Tick if you would like to receive more information about Jubilee Debt Campaign's work:  by post  by email

Please return to: Jubilee Debt Campaign, The Grayston Centre, 28 Charles Square, London N1 6HT

If you're not making a donation, you can also email your order to [info@jubileedebt.org.uk](mailto:info@jubileedebt.org.uk) or phone 020 7324 4722



## ECONOMIC JUSTICE PROJECT

2017 has seen a host of events, and a change of strategy, for our Economic Justice Project. The project was founded in 2012 as a partnership between Jubilee Debt Campaign and student campaign People & Planet, as a way to build the movement against austerity and for economic injustice here in the UK. As the political and economic context has shifted over time, we felt the project was ripe for a refresh this year.

While previous programmes such as 'The Spark'; a week long festival focused on economic and social justice based in London, had seen success, we were eager not to duplicate work that was being done by others and to make sure the events, networking and activism development we were organizing was still as pertinent now as five years ago.

We decided on a few keys changes: to focus on work outside of London and that prioritised bringing together of people from across different communities, classes and cultures following the fractured state of the UK following a politically divisive period.

We organized five 'Economics & Debt: Education for Action' workshops in Liverpool, Leeds, Birmingham, Manchester and Newcastle which took place between February and October. These workshops engaged supporters and non-supporters in the wider history of economic injustice whilst also supporting participants to understand more about our current campaigns.

## TEESSIDE TOGETHER

In April more than one hundred people from across Middlesbrough and Stockton came together for 'Teesside Together' – a weekend long event combining discussions with workshops, trainings, food and film, led by local experts at Mima art gallery. Workshops covered local



ABOVE: CAPTION TO COME HERE PLEASE

economic justice issues, including how cuts are impacting local women's refuge services and the personal impacts of sanctions- with those who have been sanctioned from their benefits leading the workshop. The weekend saw diverse communities coming into the same space- service users and service providers, asylum seekers and those who have been sanctioned, Trans activists and young Muslims. The weekend was so successful that we plan to organise two more such events in 2018.

So held 'Get Organised' an activist training in London in July for 75 people, and co-organised 'Re:connect – building a collective response to austerity and division' with Leeds Tidal – a day long event which took place in Leeds in October which culminated in the creation a 'People's Charter' setting out a vision for a fairer Leeds in the face of the damage that austerity has done.

2018 will see more regional convergences, activist trainings and educational work. And, with household debts in the UK totaling £200billion we are beginning to explore how we can also use some of our participatory workshop methods developed in the Economic Justice Project to support people who are stuck in the debt-poverty trap to speak up and get organized. We hope to see you at an event in the new year!

## PPPS

A global campaign has launched to challenge how schemes known as Public Private Partnerships (PPPs) are ripping-off the public and creating hidden debts around the world. Following the pioneering work of Jubilee Debt Campaign to expose such schemes over the last two years, over 150 organisations from 45 countries have now signed-up to the joint campaign.

PPPs, known in the UK as the Private Finance Initiative, are a complicated way to fund public infrastructure such as schools and hospitals. PPP schemes were first developed in the UK, where they are costing the government more than twice as much than if it had borrowed money directly to build infrastructure. They have since been promoted extensively across the world.

One of the reasons governments use PPPs is that, although they are expensive, they can keep debt figures hidden from the public. In September, you helped us win a victory, when the IMF announced that the costs of PPPs would in the future be

included in their debt assessments for the most impoverished countries. Back in 2016, over 2,500 Jubilee Debt Campaign supporters wrote to the IMF about this – thank you for helping to make it happen. We now need to monitor how well this is implemented, but it is one step towards getting the costs of PPPs judged on a level playing field with other forms of government investment.

However, PPPs are still being heavily promoted by governments and companies across the world. In September, we launched our report 'Double standards' which exposes how UK government ministers – including Boris Johnson, Priti Patel and Jeremy Hunt – have criticised the cost of PPPs in the UK, but their departments are promoting to some of the poorest countries, them around the world, including through the use of aid money.

The report was covered in the Financial Times and The Times. The government responded to our report saying that "winning contracts for [UK] companies to help deliver such projects abroad brings back billions of pounds of investment



for the British economy". This is exactly one of the points we are making – the UK government is promoting schemes which benefit British companies, at the expense of the public in impoverished countries.

Future was increased on the government to stop its unjust promotion of rip-off schemes when at the Labour party conference later in September, Shadow Chancellor John McDonnell announced that Labour would "End the UK government's financial and advisory support for [PPPs] overseas." This was part of a broader announcement that a Labour government would bring PPP contracts in the UK back under

## GOVERNANCE REVIEW

We've been making some big improvements behind the scenes in 2017. The board of trustees undertook a governance review to make sure we have the governance structures and processes in place to support our ambitious long-term agenda. Charity governance expert Tesse Akpeki carried out a review of our current arrangements and the board accepted her recommendations in full, subject to some further discussions on some details. The recommendations are now being implemented, and we aim to conclude the process by April 2018. The most significant change is a new skills-based model of board membership, replacing the old model

## ABOUT US

Jubilee Debt Campaign is part of a global movement demanding freedom from the slavery of unjust debts and a new financial system which puts people first.

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government control in order to cut down on the huge payments they are imposing on UK schools and hospitals.

Globally, we are starting to see signs that our work to expose the cost of PPPs is having some impact. The IMF has warned Albania that PPPs have large financial risks and have said the costs should be brought onto the books. In Cambodia, a limit has been placed on how many PPPs can be introduced.

With your help, we will continue to work with partners to prevent PPPs becoming a source of huge hidden public debts, driving austerity and impoverishment across the world.

where board membership was largely limited to representatives of local groups and affiliated organisations. While we want to keep the critical voices of local group members and allies on the board, the skills-based model will enable us to seek members from a much wider range of backgrounds and experiences. We also aim to bring on board more female and Black Asian and Minority Ethnic (BAME) trustees, as the board believes a strengthened diversity in our governance will help to make Jubilee Debt Campaign more effective in achieving our aims. To find out more about the governance review process please get in touch with the office.

Jubilee Debt Campaign  
The Grayston Centre  
28 Charles Square  
London N1 6HT

020 7324 4722  
[info@jubileedebt.org.uk](mailto:info@jubileedebt.org.uk)  
[www.jubileedebt.org.uk](http://www.jubileedebt.org.uk)

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Winter 2017

## THE DEBT STORMS OF 2017: STORIES OF INJUSTICE AND FIGHTBACK

JUBILEE DEBT CAMPAIGN

# THE BIG DEBT STORIES OF 2017: A YEAR IN REVIEW

This year, thanks to your critical support, we've fought for debt injustice all over the world. We continued to sound the alarm on the new debt crisis across the global South, made progress in exposing the secret debts that plague Mozambique, and demanded debt relief for hurricane-struck islands in the Caribbean.

We launched a hard-hitting new report exposing the government's hypocrisy over healthcare funding and risks to healthcare in poor countries. And our work on solutions to Africa's new debt crisis has made important progress, with senior officials in the International Monetary Fund (IMF) now fully acknowledging our concerns and starting to seriously engage with us on our proposals around lending transparency.

Back in the UK pressure is mounting to ease the debt burden on students. We've found that poorer students are hit hardest and face dangerously high stress levels. This is just one element of a growing household debt crisis in the UK which we'll be starting work on with allies next year.

As you will read over the following pages, there have been many successes this year, and we couldn't have done it without your help. To all those who signed a petition, distributed materials, gave money, shared links online and more: on behalf of the office team, we'd like to say a big heartfelt thank you.



## MOZAMBIQUE AND NEW DEBT CRISIS

Kayana Kandagona\* is a mother of two in Maputo, the capital of Mozambique. Until last year, she ran a business importing beds from neighbouring South Africa, making £500 a month.

However, after the Mozambican currency fell by 50% in value, prices rocketed and Kayana's customers could no longer afford payments on the beds. Her income dropped to less than £20 a month.

The family now eats two meals of rice a day, occasionally with some seasonal vegetables. Her 12-year-old daughter and 10-year-old son are always saying: "Mama, we are hungry".

Kayana told the IRIN news network that she blames the financial scandal in Mozambique, where government officials secretly borrowed money from two-London based banks, for the family's plight.

Last year it was revealed that the London branches of the banks Credit Suisse and VTB Capital lent \$2 billion to three state-owned companies in Mozambique, without any approval from the Mozambique parliament, and the

existence of much of the loans was kept secret.

We supported campaigners in Mozambique who pushed for an audit into the loans to find out who was responsible and where the money had gone. In a success for the campaigners, the audit has now been published. Its revelations include that a condition of Credit Suisse to get the loans signed off by the Bank of Mozambique was dropped, the banks gave loans to three companies which had no revenue, and there is an unexplained difference of \$700 million on what was paid for equipment bought by the loans, and its expected cost.

Revelations about the secret loans led to the collapse in the currency and large price increases. The Mozambique government has stopped making payments on the loans. Mozambique campaigners are calling for both the government officials and banks to be held responsible, as well as for the debt burden not to fall on the Mozambican people.

Part of our support for campaigners and civil society groups in Mozambique has been to call for the International Monetary Fund (IMF) not to bail out the reckless lenders,



something the international institution has so far agreed with us not to do.

The secret loans have triggered the debt crisis in Mozambique, but they are not the only cause. For the last five years Jubilee Debt Campaign has been warning that a boom in lending to impoverished countries could lead to a round of new debt crises. More recently, falls in the prices of raw materials such as fossil fuels and metals, and rising US dollar interest rates, have reduced incomes at the same time as debt payments have increased.

Now, international institutions are finally starting to accept our warnings. The number of impoverished countries the IMF says are at high risk of a debt crisis, or already in one, has increased from 15 to 28 in the last four years.

Another country in debt crisis is the Republic of Congo. Again, loans given in secret are part of the cause of the crisis, along with government revenue falling from \$6.3 billion in 2013 to \$2.5 billion in 2016, because of a lower oil price.

We have been campaigning for increased transparency, to ensure parliaments, media

and civil society in borrowing countries can hold governments and lenders to account for loans being taken-on. This became a key theme of the IMF Annual Meetings in Washington in October.

Over 40% of international loans to governments are given under UK law, and for African governments it is over 90%, including the secret loans to Mozambique. So changes made to UK law could have an important impact. We are campaigning for new measures to ensure all loans given under UK law are publicly disclosed. A motion has been tabled by MPs in parliament calling for loan transparency. So far its signatories include Chair of the International Development Select Committee Stephen Twigg and expert in financial accountability Dame Margaret Hodge (both Labour MPs), leaders of the Liberal Democrat and Green parties, Vince Cable and Caroline Lucas, and leaders in Westminster of the SNP and Plaid Cymru, Ian Blackford and Liz Saville Roberts.

Please ask your MP to sign the motion via our website at: [\[Link\]](#)

\* not her real name

## HURRICANES STRIKE INDEBTED ISLANDS

In Dominica, 98% of the buildings are damaged by Hurricane Maria, and Prime Minister Roosevelt Skerrit said "We have lost all that money can buy and replace."

Dominica is already heavily indebted, with 14% of government revenue spent on debt payments which leave the country. The IMF ranked the island as at high risk of a debt crisis, even before the devastation caused by Hurricane Maria.

Past hurricanes are one of the reasons why Dominica and other Caribbean countries were already heavily indebted. Just two years ago, Dominica was hit by Hurricane Erika, which is estimated to have caused losses of 90% of GDP, as well as killing 30 people and leaving over 500 homeless.

In the Eastern Caribbean, many countries suffered an economic shock in the 1990s, when American companies used the World Trade Organisation to make the EU import bananas and sugar from Latin America on the same terms as from the Caribbean. The smaller Caribbean producers could not compete with the US companies controlling the Latin American trade, and production was decimated. Debts ended

In contrast to the financial debts of Caribbean countries, there are much bigger debts the other way round. One is the economic impact of colonial history. In the words of a taxi driver in Grenada:

"England bled us dry for many years of our cocoa and nutmeg, being made rich whilst we were made poor. It's time for them to give something back. We really need your help in getting the debt written-off."

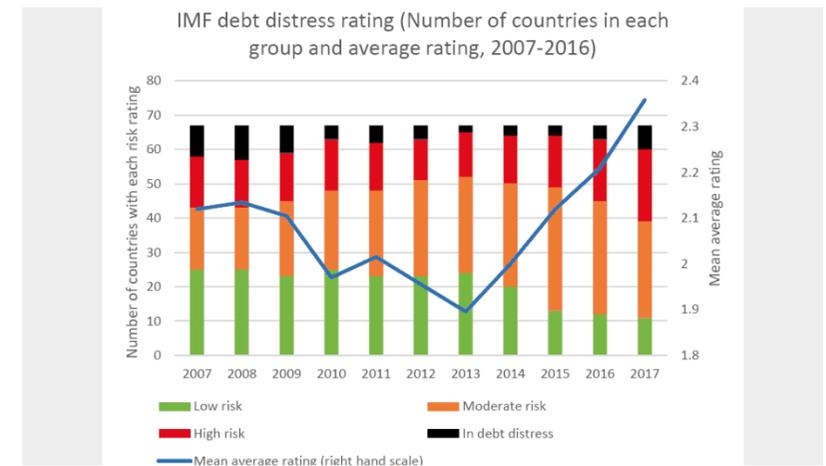


up being taken on to try to cope.

Another is the impact of climate change. Warmer seas are increasing the frequency and power of hurricanes, and higher sea levels further worsen their impact. The devastating effects of storms across the Caribbean can only be expected to get worse.

Dominica, Antigua and other countries need as much immediate help as possible, including suspending debt payments. But the long-term rebuilding of the islands requires finally delinking debt cancellation to get debt down to a sustainable level, and giving reconstruction aid as grants, not loans. The same mechanisms are needed for all countries affected by devastating disasters.

The global finance sector has started to promote new insurance packages to allow indebted nations to keep up their debt payments during times of devastating disasters. This is not a fair solution. In the case of the Caribbean, structural changes are needed to help the islands become less vulnerable to disasters, including better trade terms, transforming economies to be more resilient, grants to adapt to the inevitable impacts of climate change, and radical reduction in carbon dioxide emissions to stop climate change being even worse.



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## THE DEBT STORMS OF 2017: STORIES OF INJUSTICE AND FIGHTBACK



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