

## Facts and Figures:

- *Sixty developing countries have HIV rates above the world average of 1.1% of their population between ages 15 and 49.*
- *Four-fifths of these, and 3 out of 4 women with HIV, are in Sub-Saharan Africa where the average HIV rate is 7.2%.*

## Where There Are High HIV Rates There Are High Debts.

Sub-Saharan Africa is doubly burdened. On this continent, where HIV rates are the highest, countries also have heavy external debts. Debt service payments and adherence to the conditions laid down by the International Monetary Fund (IMF) and the World Bank constitute severe obstacles to the provision of life-saving health care and educational services needed to roll back the AIDS epidemic.

## The G8 Promised To Relieve The Debt Burden.

The leaders of the Group of Eight (G8) industrial countries promised at their 2005 Summit in Gleneagles to cancel the debts owed to multilateral financial institutions by poor countries that have implemented IMF and World Bank Structural Adjustment Programs for a number of years.

## The G8 Plan Is Not Nearly Enough.

A KAIROS study shows that as of mid-2006 only one third of the countries with high HIV rates are eligible. The G8 plan will cancel only half of those countries' debts and just 13% of the debts of 62 countries overwhelmed by AIDS, debt and poverty.

The G8's promised debt cancellation will not go nearly far enough towards meeting the US\$6 to US\$8 billion annual revenue shortfall needed for AIDS-related programs over 2006-2007.

Of the 10 countries with the highest incidence of HIV infection, that is rates above 10% of the population between 15 and 49 years, only two or three countries – Zambia, Mozambique, and perhaps Malawi – are eligible under the G8 plan during 2006.

## Many Of The Debts Are Illegitimate.

Many of the debts are in fact "odious debts" in that they were originally contracted by despotic regimes such as those that ruled in South Africa, Haiti and Zaire (now the Democratic Republic of the Congo). These loans were used against the interests of the people or stolen outright with the full knowledge of the creditors and must be cancelled outright.

The G8 does not recognize that these debts are odious even though it recently set a precedent by agreeing to write off 80-100% of Iraqi debt accumulated under the Saddam Hussein dictatorship.



KAIROS unites the Anglican Church of Canada, Canadian Catholic Organization for Development and Peace, Canadian Conference of Catholic Bishops, Canadian Religious Conference, Christian Reformed Church in North America (Canada Corporation), Evangelical Lutheran Church in Canada, Mennonite Central Committee Canada, The Presbyterian Church in Canada, The Primate's World Relief and Development Fund, Religious Society of Friends (Quakers) and The United Church of Canada in faithful action for justice and peace.  
[www.kairoscanada.org](http://www.kairoscanada.org) or Toll Free at 1-877-403-8933

KAIROS works on HIV and AIDS in conjunction with the Christian Host Committee for the XVI International AIDS Conference, a project of the Canadian Council of Churches: [www.ccc-cce.ca](http://www.ccc-cce.ca)



KAIROS FACT SHEET  
AIDS #2 April 2006

**AIDS:**  
**What's Debt got to do with it?**

## Conditions And Limits Impede Action.

To qualify for debt relief, other countries must implement harsh austerity and structural adjustment conditions demanded by the World Bank and the IMF.

The IMF has on occasion prevented foreign aid from reaching AIDS programs because it imposes expenditure ceilings on health budgets. IMF policies have also made it difficult to hire health care workers due to limits on spending for public employees. World Bank policies calling for user fees for public schools and for health clinics drastically decrease the number of children receiving education and patients obtaining health care.

Education is a factor. In Uganda, HIV rates for people with secondary education were 2% as compared with over 6% for those with primary education and over 12% for those with no formal schooling.

## IMF Policies Have Failed.

Over the last 25 years, countries that have implemented policies of strict fiscal austerity, high interest rates, unilateral trade liberalization and privatization of essential services have had lower growth rates and fewer improvements in social indicators than occurred over the previous two decades.

## A DEBT OF THEIR OWN

*Where education is concerned, the IFIs have a debt of their own to pay back to Africa. The World Bank and the International Monetary Fund should foot the bill for free primary education. In other circumstances, it would be called reparations; in present circumstances, it should be called **mandatory restitution.***

-Stephen Lewis,  
UN Special Envoy  
for HIV/AIDS in Africa

## What Can Canada Do?

### **Demonstrate leadership within the G8 to:**

**Cancel** 100% of the debts owed by countries burdened by AIDS, debt and poverty.

**Stop** tying debt remission to IMF and World Bank conditions.

**Bring** a critique of the failure of the macroeconomic policies promoted by the World Bank and the IMF to the review of conditionality now underway.

**Channel** multilateral aid through UN agencies rather than the World Bank.

**Make** the IMF and World Bank bear the costs of writing off debts owed to them by using the World Bank's loan loss provisions and retained earnings and IMF gold stocks.

**Endorse** Stephen Lewis' call to have the IMF and World Bank pay for free primary education in Africa as restitution for the damage caused by user fees and other structural adjustment policies.

### **What Can We Do?**

⌘ **Pray** that eyes may be opened and hearts moved to compassion and justice.

⌘ **Learn.** Contact your denomination (or its development agency) and KAIROS for educational resources. Download a presentation, fact sheets, a bulletin insert and Global Justice Report at [www.kairoscanada.org](http://www.kairoscanada.org) or contact our office at 1-877-403-8933 for a copy of these resources on CD.

⌘ **Act.** Three global meetings with AIDS on the agenda are taking place from May to August 2006. Let your voice be heard. Send a letter to Prime Minister Harper calling for policies of global justice to end the AIDS crisis. A sample letter can be found on the KAIROS website.