

OILWATCH ALERT INDONESIA 2005

1. TSUNAMI IS NOT A COLLATERAL FOR LOAN: CANCEL DEBTS OF ALL SOUTHERN COUNTRIES

Public in Indonesia and around the world call for debts cancellation for southern countries suffering from tsunami.[1] By considering ethics, justice and moral and with political reality in Indonesia, JATAM demands donor countries, such as Consultative Group on Indonesia (CGI) dan The Paris Club, to cancel all debts made by the government of Indonesia.

JATAM firmly objects to obligation of debt-servicing. Debts agenda as such can only be done by cutting state expenditures or expenditures for basic public service. As a direct result, domestic political turmoil of the newly elected government would be certainly inevitable. If this continues, domino effects of such turmoil would suffer other states, and nineteen members countries of The Paris Club are the most responsible party worsening the turmoil. JATAM, therefore, demands the Government of Indonesia to reallocate public expenditures for long-term rehabilitation and reconstruction for Aceh and North Sumatra.

With regards to demand for cancelling debts of Indonesia and all southern countries, JATAM invites international public to pay more serious attention to the following issues:

1. That demand of debts cancellation should exclude sovereign debt made by Suharto regime for more than three decades, with the one made after 21 May 1998 as imposed by IMF, and those given by members of CGI/The Paris Club as requested by the Government of Indonesia.
2. That demand of debts cancellation should exclude trade-off of all military procurement and or other forms of military assistances (military trainings provided by Australia, European Union and the United States), whether made during Suharto regime and the its successors. Suharto debts-regime stood on hundreds of thousands dead bodies, and its successor presidencies endorsed extra-legal execution of many Indonesian citizens that oppose government policy.
3. Socio-ecological degradation as (both direct and indirect) impact of development programme funded through loan agreement with creditor countries should be our primary concern on the debts cancellation agenda.

Such degradation occurs throughout the archipelago of Indonesia. Billion of US Dollars from foreign debts been used to finance the growing of extractive industries with its infrastructures had long converted million of hectares of productive ecosystems, mangroves, catchment areas, gigantic exportation of timbers and raw mining materials for the sake of

virtual economic growth. In the end of the day the creditors are the beneficiaries of such growth (see notes, table and maps).

4. The Government of Indonesia must cancel plan for new loan and do not designate it to finance reconstruction and rehabilitation of Aceh and North Sumatra. The Paris Club currently assigns The World Bank to appraise damage and loss due to tsunami in Aceh and to come up with size of the new loan the Government of Indonesia must submit for rehabilitation and reconstruction of Aceh. Completion date of the moratorium offered by The Paris Club would be defined based on appraisal done by The World Bank.
5. Demand OECD or creditor countries and the United Nations to create socio-ecological replenishment fund for the southern/debtor countries, in which additional allocation be included for handling tsunami disaster in 26 December 2004 with size and direction of expenditures must cover all aforementioned issues.

JATAM urges the Government of Indonesia and international financial organistaions to not using and manipulating tsunami disasater in Aceh and North Sumatra as justification to make a new loan. People of Aceh and North Sumatra, that had been suffering due to prolonged military operation, with the recent tsunami adding to it, would not be able to bear to take another suffer from receiving rehabilitation funds made from another debt.

Yours
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[1] Kampanye Jubilee South yang diluncurkan pada 28 Desember 2004 dan ditandatangani 337 organisasi dan individu, berisi Unconditional Debt Cancellation Now! Southern governments should not continue to prioritize debt service, and squander much needed public funds: Stop Paying Onerous And Illegitimate Debts! Prioritize relief and rehabilitation, basic social services, clean and safe water, and other human development programs! Dan juga yang dilakukan oleh APMDD (Asia/Pacific Movement for Debt and Development).

Fuente: Oilwatch International.- Miércoles, 19 de Enero de 2005