

“Development Banks” Are Ruining the Philippines: Billions of Dollars Deeper in Debt with the World Bank and the Asian Development Bank

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Manila, Philippines — Groups demanding the cancellation of Philippine debts delivered luggage full of questionable loan contracts and conditionalities to World Bank President Jim Yong Kim, who is visiting the country from July 14 to 15.

“Goodbye, Mr. Kim, and take your oppressive loans with you,” chanted members of the Freedom from Debt Coalition (FDC) and Focus on the Global South during a staged send-off for “nuisance visitor” Mr. Kim.

The groups, denouncing new World Bank loans for recovery efforts in typhoon-devastated areas, said that the Philippines needs grants, not enlargement of its debts, to recover from the death and destruction caused by super-typhoon Yolanda.

“We are now almost a billion dollars deeper in debt with the World Bank, and another billion with the Asian Development Bank. These so-called development banks have shamelessly lent to a country devastated by the effects of climate change while still hell-bent on collecting interest payments and principal amortization for Philippines debts, including those that did not benefit the people. These new loans should be revoked,” said Sammy Gamboa, FDC Secretary-General.

According to FDC and FGS, conditionalities attached to World Bank loans have denied the Filipinos access to their resources for decades. These policies have compelled the Philippines to prioritize debt service over spending for essential services. This is why the Marcos legacy of automatic appropriations for debt payments has been kept by the 1987 Administrative Code.

“Debt payments have drained the public purse resulting in the privatization, deregulation and liberalization of key industries and service sectors because the government, as dictated by international financial institutions, needed to mobilize private investors. But look at where we are now. Not only are we facing corruption by public officials, but also corporate pillage as prices of goods and services unjustly skyrocket,” said Mary Ann Manahan of Focus on the Global South.

The groups added that the World Bank does not only impose growth-stunting policies on the nation, it is also financing the destruction of the country’s natural resources, thus contributing to the Philippines’s vulnerability to the effects of climate change.

The World Bank lobbied for the passage of the 1995 Mining Act and has provided loans and

investments to private mining explorations, such as infusing \$9.4 million to Mindoro Resources Ltd. for the company's exploration for and extraction of nickel, copper and gold in Agusan del Norte, Mindanao Island.

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