

PRESS RELEASE

EcoWaste Coalition
Freedom from Debt Coalition

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Contact persons:

Manny Calonzo, EcoWaste Coalition, 0922-8286343

Bobby Diciembre, Freedom from Debt Coalition, 0920-9059856

Austrian Embassy officials asked to cancel P500-million "toxic debt"

MANILA, Philippines - A day before the Austrian people celebrate their independence day from the darkest chapter of their history, members of EcoWaste Coalition and Freedom from Debt Coalition here trooped to the Embassy of the Republic of Austria to seek an audience before the embassy officials and appeal to liberate the Filipino people from "toxic debt."

The groups handed-over to Austrian Ambassador Dr. Herbert Jäger the petition signed by hundreds of national and international organizations and individuals calling for the cancellation of AT\$199.86-million (P500 million) loan for the Austrian Medical Waste Project in the Philippines and appealed to "the sense of justice of the government and people of the Republic of Austria."

The loan agreement was endorsed by the Austrian Embassy and signed by Bank Austria and the Philippine Department of Finance.

The groups also gave the Austrian diplomat an oversized postcard, requesting the Austrian government through Federal Chancellor Alfred Gusenbauer to cancel the incinerator loan. Together with the postcard is an Edelweiss flower, Austria's national flower. This was given as a symbol of solidarity with the people of Austria who are celebrating their 52nd independence day and the passage of the law on permanent neutrality on October 26. Austria was occupied by the German Nazis and Soviets during and after the World War II, respectively.

In the petition, the groups stressed that "the incinerators brought to the Philippines in 1997 by the Austrian supplier, Vamed Engineering, were substandard, not even measuring up to the emission levels the supplier guaranteed. A subsequent comprehensive emission test conducted by the DOH and the World Health Organization showed that the incinerators emitted unconscionable amounts of pollutants, with dioxin and furan emissions, in one case, exceeding the Philippine environmental standards by eight hundred seventy times."

In 2003, all 26 incinerators were mothballed to comply with the provision of the Philippine Clean Air Act of 1999 banning the use of medical waste incinerators. Despite this, the Philippine government will continue to pay US\$2 million (P90 million) a year to the Austrian government until 2014.

"Payments for the incinerator loan this year account for 25 percent of the Department of Health's budget on addressing backlog in infrastructure, and are almost equal to what it will spend for all local health programs and the prevention of emerging diseases," according to the petition.

"We appeal to the Austrian government to cancel the loan, so payments appropriated can be diverted to add more funds to DOH dwindling budget for health," said Ronnel Lim of the EcoWaste

Coalition.

FDC president Ana Maria R. Nemenzo, for her part, believed that this is another case of illegitimate debt. "We urgently hope that Ambassador Jäger can convey our appeal to the Government of Austria to unilaterally rescind this loan agreement, which has already been paid for nominally but has brought negligible benefit to our people. Moreover, we believe this loan agreement is a blot on the integrity and democratic tradition of Austria," she said. This perspective was shared by no less than the Philippine Congress. In a decisive move, legislators from the House of Representatives suspended P11 billion worth of interest payments to loan agreements challenged to be anomalous if not illegitimate pending thorough investigations. The Austrian Medical Waste Project is one of the projects whose payments were suspended.

Also, Executive Secretary Eduardo Ermita in an interview said that Malacanang is seriously considering the possibility of reviewing such loan agreements-agreements which he described as 'bad debts' ("Palace to consider review of bad debts," Business Mirror, 9 August 2007, page 6).

"While we consider these developments on the part of our government as very important, we also believe the Austrian Government must be as concerned, make the same initiative," said Nemenzo.

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