
PETITION

to the Government of Austria to cancel the "toxic debt" of the Government of the Philippines from the now-defunct, life-hazard Medical Waste Project

On 23 May 2001, countries all over the world signed the Stockholm Convention, a global treaty formed to protect human health and the environment from the harmful impacts caused by persistent organic pollutants (POPs). The Convention identifies waste incinerators as significant sources of four of the initial list of 12 POPs being targeted for reduction and elimination. Signatories to the Convention, including Austria and the Philippines, agreed to prohibit and/or take the legal and administrative measures to prevent the production, importation and exportation of POPs.

In 1997, prior to the Stockholm Convention, the Austrian government inked an ATS199.96 million (equivalent to PhP503.65 million) loan agreement with the Philippine government for the Austrian Medical Waste Project, which included the purchase of medical waste incinerators from Austria for the use of 26 government hospitals under the control of the Department of Health (DOH) in the Philippines.

The loan agreement, endorsed by the Austrian Embassy and signed by Bank Austria and the Philippine Department of Finance, provided for a repayment scheme of 24 equal semi-annual installments with an interest rate of four percent every year beginning 2002 until 2014. The annual debt payment for the project is roughly US\$2 million per year.

However, 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 continues to pay US\$2 million (PhP100 million) a year to the Austrian government for the medical waste project. 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.

Two to three poor Filipino patients share one hospital bed in many of the government hospitals, seven out of 10 Filipinos die especially in the rural areas without seeing a doctor or a health worker. The annual PhP100 million debt service could have been used to reduce child mortality, avert maternal deaths and combat TB, malaria and other diseases; expand other health programs; purchase medicines and hospital beds; hire additional health workers; or, ecologically process or treat infectious or pathological waste without incineration. We, the undersigned, appeal to the sense of justice of the government and people of the Republic of Austria to cancel its ATS199.86 million loan for the Austrian Medical Waste Project in the Philippines.

We also urge the Austrian government to return, in any way possible, to the Filipino people the cumulative total payments made by the Philippine government so far, notwithstanding other dues that may be accorded to the Filipino people in relation to damages.
