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**Africa Policy Experts and International Think-Tanks Challenge Labour Debt Relief Bill**

*Joint letter urges Members of Parliament to support greater accountability in the developing world*

JOHANNESBURG – A group of experts from leading international and African-based public policy organizations today issued a challenge to controversial proposed legislation backed by the Labour government which will severely curtail the ability of commercial creditors to recover debts owed by 40 Heavily Indebted Poor Countries. The experts urged Members of Parliament to oppose this legislation and instead encourage better governance in the developing world, and greater attention to poverty alleviation through expanded private investment and trade.

The group of distinguished African and British policy experts opposing the bill includes the Free Market Foundation in South Africa; Franklin Cudjoe, Executive Director of IMANI Center for Policy and Education (Ghana); Richard Tren, Founder and Director of Africa Fighting Malaria (South Africa); Thompson Ayodele of Initiative of Public Policy Analysis (Nigeria) and Prof. Julian Morris, University of Buckingham (United Kingdom).

In a strongly-worded letter to Labour backbencher Andrew Gwynne MP and his co-sponsors, the African coalition joined forces to urge British legislators not to back the proposed Private Member's Debt Relief (Developing Countries) Bill – due for its second reading in the House of Commons on Friday February 26.

The letter's authors warn the proposed legislation is unlikely to raise living standards in low income countries. The letter states:

*“As several of us wrote in our submission as part of Her Majesty's Treasury Consultation last year, the proposed legislation is unlikely to accomplish the British government's admirable goal of improving the well-being of low income countries. In fact it could well end up having the opposite effect. . .*

*“. . ., your Bill, by reducing debts to creditors, purports to free up funds for Heavily Indebted Poor Countries to promote economic development. There is however no guarantee that such funds will actually be used for this purpose. In fact, the staggering levels of fraud, economic mismanagement and corruption that exist in most of the 40 countries eligible for relief under your Bill, lead one to the opposite conclusion.*

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*“The Debt Relief Bill will not only hand more financial power to deeply flawed regimes, but will also act as a major disincentive for British lenders and investors to operate in developing nations. The Bill will inevitably increase interest rates for all developing countries wishing to access capital markets.*

*“We urge British legislators to think again before backing this legislation. While the Bill has been crafted with the best of intentions, its impact on the developing world will be overwhelmingly negative. This legislation sends completely the wrong signal to leaders of developing nations, who need to focus their efforts on good governance, economic liberalization, and advancing the rule of law. These are the foundations of a strong and prosperous future for impoverished nations in Africa, South America and Asia, whose people are looking not for handouts, but a hand up.*

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