

Debt & Development in Africa

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Campaigning on Illegitimate Debts Lessons, Prospects and Proposals

A Paper presented by Charles Mutasa at the Conference on the Campaign on Illegitimate Debt in Jakarta, Indonesia

The expression "illegitimate debts" has gained some popularity among non-governmental organizations and debt activists but has, however, not (yet) gained currency in official circles. A conference like the Campaign on Illegitimate Debt - Lessons, Prospects and Proposals convened between 27 - 29 May, in Jakarta, Indonesia offered a conducive opportunity to coin this term; and determine what, precisely, is to be understood by illegitimate debts.

In general, the term "illegitimate" means "against the law, illegal or not authorized by law; improper" or "wrongly inferred" and to some extent "illogical".

Defined thus 'illegitimate debts' include odious debts; loans secured through corruption; usurious loans, and certain debts incurred under inappropriate structural adjustment conditions.

Having this perception and understanding, it therefore becomes justifiable that the people of the impoverished South should not be obligated to pay debts acquired by governments where creditors knew the debts were illegitimate. Creditors who lent to the corrupt regimes of Mobutu Sese Seko of Zaire (now Democratic Republic of the Congo), Suharto of Indonesia, Ferdinand Marcos of the Philippines (just to mention a few) should bear the risk attributable to their decision to finance the self-enrichment (at the expense of the country) of "their man" during the Cold War era.

Joseph Hanlon referred thus to loans being illegitimate:

" We consider loans to be illegitimate if: they are against the law or would be against national law; are



Participants to the Conference on Illegitimate Debt in Jakarta, Indonesia

unfair, improper or objectionable; or infringe upon public policy."

A number of lessons can be drawn from the work that has been undertaken on the term "Illegitimate debts". These can be used to further the campaign on the issue. Such lessons include: the problems with the definition, scope and contextual application of the concept.

The concept of Illegitimate Debt has been indisputedly put forward as having to do with authoritarian and extravagant regimes of the past rather than the present. There is no international consensus on the term "illegitimate debt" with regard to current or sitting governments of our day. It is also true that there is no reference to such a term in the international arena, at the United Nations or in the International Financial Institutions. The very word "odious" does not even exist on the Paris Club homepage.

Although the odious debt doctrine has received unexpected support from the US government in the case of Iraqi debts, the concept is not clearly defined. What appeals most to NGOs is the rather wide interpretation in the so-called Tinoco case which, if generally accepted, would make this concept applicable to a substantial share of sovereign debts.

The US propagated it twice to free Cuba from Spanish colonial debts, and when Iraq was

invaded. In both cases US interest is evident. Conspicuously, this concept was neither discussed nor applied to dictators such as the Somoza dynasty of Nicaragua, Mobutu Sese Seko of Zaire, or the fascist military juntas in Chile and Argentina - all enjoying strong US support. *[Continued on Page 2]*

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Campaigning on Illegitimate Debts

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A TIMELY COMEBACK!

WELCOME TO THE VERY FIRST COPY OF Debt and Development in six years! There have been many strides made at AFRODAD, among Debt Cancellation Campaigners and within civil society at large since then.

We hope that by reviving the hard copy of this important newsletter, we will be doing our part in keeping our stakeholders abreast of our campaigns and struggles to wipe out Debt that has kept many of our nations and peoples enslaved.

The re-launch of this newsletter coincides with the G8 Summit just held in Russia, which many hoped would bring to fruition the hopes and aspirations inspired by these same leaders of the biggest economies in the world, at their last gathering in Scotland last year.

It is sad, therefore, to realise that cold water has been poured on these aspirations for a freshstart by some of the poorest of the poor, and that other events have once again overshadowed the focus that should be concentrated on resolving the imbalances caused by Debt throughout the world.

Again there was a spectacular side event - the mushrooming crisis in Lebanon, and Africa has to once again wait with baited breath for its opportunity to be discussed, explained, and hopefully forgiven its burdensome debt that it is not entirely responsible for.

We present here some articles on Illegitimate Debts, in the hope that the subject will grip the world and demystify where the blame lies.

We hope you have a pleasant read and look forward to your feedback and comments.

The Editor of Debt and Development in Africa welcomes your contributions and comments. For further information please contact:

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In all these cases substantial claims of US creditors existed - unlike in colonial Cuba and Iraq.

The other problem is that it seems the world has no recent agreed precedents of illegitimate debts cancelled. The cancellation of Iraq debts by the US and the failure to extend such cancellation to other poor and needy countries has made the concept of (illegitimate) odious debts contestable.

Basing a case on odiousness seems risky. Officially, Iraq's debts were not reduced because of odiousness. A CRS report for Congress (Weiss 2005) available at an official US homepage (of the US Embassy in Italy) does not mention odiousness as the reason for US efforts to achieve debt relief for Iraq. It introduces odious debts in the following way:

"Proponents of a doctrine of 'odious' debt assert that some of Iraq's debts could potentially be classified as non-legitimate under international law since they were undertaken during the Saddam Hussein regime and that international law should be able to expunge these debts. The concept of 'odious' debt does not appear to be well established in international law."

There is no international consensus on the term "illegitimate debt" with regard to current or sitting governments of our day. It is also true that there is no reference to such a term in the international arena, at the United Nations or in the International Financial Institutions. The very word "odious" does not even exist on the Paris Club homepage.

Under traditional Paris Club guidelines, Iraq's petroleum and gas reserves would render it ineligible for debt relief. (Ibid, p.4)

In addition, the "illegitimate debts" issue is well illustrated in a few specific indisputable countries and past regimes in the global South. The cases of Marcos in the Philippines, the case of the DRC in sub-Saharan Africa and the case of Argentina in Latin America are clear illegitimate cases cited.

The issue of illegitimacy is easily associated with irresponsible borrowing on the part of poor country(ies) and reckless lending on the creditor countries, borrowing and lending done to maintain relations between the two and bad policy advice by the creditor institutions or countries leading to disastrous effect on the recipient country.

Many severely indebted poor countries' debts, mostly owed to official sources, are largely creditor-determined and the result of creditors' decisions and monitoring. The going practice of forcing debtor countries to pay for all their creditors' failures is particularly unjustified in these cases. Furthermore, the stolen wealth (of Nigeria) cases which involve corrupt leaders convening with Western financial institutions to embezzle state coffers for personal gain seems also to fit into this category.

Another problem is the absence of credible debt management units or offices, thus making it a bit complicated to trace figures and trends in the affected poor countries. In many debtor countries, debt records and statistics have not been properly kept to the extent that some do not know exactly how they owe. Creditors are the ones that normally tell some governments their amounts of debt and not the reverse. In such situations, distinguishing illegitimate and legitimate debts cannot be easy.

To make it even worse, many governments in developing countries have not added their voice to the campaign just as they have not spoken openly about bad governance of their predecessors or colleagues. Even the Republic of South Africa (RSA) (with evidence that came from the Truth and Reconciliation Commission) had not been willing/keen to use the term "illegitimate or odious debts" or even reparations to claim compensation after apartheid. This could be an indicator that it might be very difficult for the RSA government to build a case on this concept. This does not mean, however, that campaigners should stop pointing out debts that can be defined as odious.

Responsible Lending:Analysing MDGs Goal 8

AFRODAD participated at the CIVICUS World Assembly held in Glasgow, Scotland between 21 and 25 June 2006. Publications were once again showcased and distributed at the end of a presentation by AFRODAD entitled: "Responsible Lending:Analysing MDGs Goal 8."

The CIVICUS World Assembly brought together more than 1000 civil society leaders and representatives from around the globe, to share and exchange experiences, ideas, lessons and visions for a better and more just world.

AFRODAD was able to participate under one of the themes of the Assembly "Economic Justice" and offered to share its experiences and lessons learnt while conducting research on "Illegitimate Debts and Millennium Development Goals - Goal 8".

The presentation was well-received and participants to a discussion held afterwards were particularly impressed with the work AFRODAD is doing in the region and made practical suggestions on moving this forward.

Participants reminded AFRODAD of the Financing for Development meeting held at the UN in 2000, where the issue of illegitimate debts was discussed in detail and civil society led by Jubilee South made a strong case on the concerned issue.

AFRODAD was encouraged to look at some of the recommendations that emerged from that meeting and see how they fit in with their own work on illegitimate debts in Africa.

At the Civicus meeting, it was also felt that AFRODAD should carry out debt audits, which we already are, in the region to establish which debts are ecological, military, odious or illegitimate and use that as a basis to classify which debts are eligible for cancellations and which ones are not. There was another observation that the Debt Campaign movement in the region should as a matter of urgency incorporate lawyers in its activities in order to de-jargonise the loan dealings and also help activists to understand the legal implications of loan agreements so that bad debts can be avoided.

On another front, it was noted that while loan contraction processes are inevitable and should render themselves open to parliamentary involvement and scrutiny, however, the composition of parliament matters a lot. For instance, it was observed that in Mozambique most MPs are from the ruling party and were passing "useless" pieces of legislation much to the chagrin of their constituencies.

So getting parliament involved is one thing and having parliament do the right thing is

another, how then do we strike a balance between these imperatives?

MDG Goal 8: Develop a global "partnership" for development

Goal eight relates to northern governments' commitment to a global partnership for development. It relates to issues of debt cancellation, trade justice ,fair governance in the global institutions such as the IMF, World Bank ,UN ,WTO and other bodies. But this goal also looks at political, economic and social rights for the poor - all essential ingredients to end poverty in the Global South

Special Features of MDG 8

1)Develop further an open trading and financial system that is rule-based, predictable and non-discriminatory. It includes a commitment to good governance, development and poverty reduction nationally and internationally.

2) Address LDCs' special needs such as tariff and quota-free access for their exports, broader and deeper debt cancellations, and more and better aid. These imperatives under Goal Eight sound very tantalising but, however, in the global partnership there is lack of a clear and shared definition of a genuine partnership that leads to sustainable development

As a result, it is generally observed that power distribution is uneven with one partner being more powerful than the other. The donor, in this case, is able to impose policy conditionality and accountability demands on the aid recipient country without the latter demanding reciprocal behaviour from the donor. Currently there are no existing mechanisms to deal with erring donors especially on their unfulfilled pledges and commitments.

Worse still, donors cannot be held accountable for their role in giving wrong policy advice to poor countries including the advance of inappropriate loans for unviable projects.

Unfulfilled Donor Commitments Aid

The 2004 figures show a real terms increase of 4.6% with aid up to US\$78.6 billion in 2004 from US\$72.4 billion in 2003. Whilst this increase follows a 4.3% rise from 2002 to 2003, global aid still falls far short of what is needed to reach the MDGs by 2015. The long-term trend in aid shows that despite a modest rise in aid from the all time low of 0.22%, aid from all DAC donors remains far below what it was during the 1980s and 1990s.

Rich countries are way off track in terms of meeting their aid commitments and there is a strong feeling among stakeholders that donors should meet the target of 0.7% of their GNP.

Who is the most (and least) generous donor? ODA as a share of GNI in 2004

Norway (0.87),Luxembourg (0.85), Denmark (0.84),Sweden (0.77),Netherlands(0.74)

Italy (0.15), USA(0.16), Japan (0.19),Germany (0.28), United Kingdom(0.36)

Poor countries need more and better aid aligned to their national development plans

Trade reforms

The issue of agricultural subsidies remains unresolved with distant timeframes for dismantling them. For example, in September 2004, a WTO dispute panel found that \$3.2 billion in annual cotton subsidies and \$1.6 billion in export credits paid by the US in cotton and commodities were illegal under WTO rules. *[Continued on Page 4]*



Debt Cancellation other economic justice campaigners at the AFRODAD mini plenary on Responsible Lending: MDGs Goal 8 at the Civicus World Assembly in Glasgow, Scotland

Responsible Lending: Analysing MDGs Goal 8

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Tariffs and non-tariff barriers, quota systems, and other forms of technical barriers still permeate the international trade arena.

Rich countries spend around US\$350 billion a year on agricultural protection and subsidies which is 16 times their aid to Africa.

"Ever since the Uruguay Round of WTO talks, the developed countries had coined several terminologies in their attempt to derail the development of poor countries. At first they said 'trade, not aid' would develop us. Now they are saying 'aid for trade'. They keep coining this nonsense" (Dipak Patel, Zambia's Minister of Trade, Post Newspaper, June 15, 2006)

Debt cancellations

Only a few and selected poor countries have been allowed to access debt relief under very limited initiatives.

"The World Bank has reduced Zambia's IDA funds from US\$120 million to US\$43 million per year. After improving our operations and management of our portfolio we had expected to get US\$120 million per year but because of the MDRI our debt burden had reduced substantially" (Ng'andu Magande, Zambia's Minister of Finance, Post Newspaper, June 15, 2006)

Policy conditionality attached to debt relief makes it difficult for countries to meaningfully pursue flexible development agendas. Currently IFIs and developed countries are using loan conditions as principal vehicles to liberalise and penetrate markets in poor countries. As a result, poor countries have opened up their economies more rapidly than industrialised countries. The consequences are severe on the poor.

Irresponsible lending and illegitimate debts

Many loans being repaid now in many African countries were contracted during the Cold War era under some despotic, tyrannical and corrupt regimes

" Illegitimate debt refers to loans accrued by governments either to support dictatorships or in the pretext of common good but instead used at the expense of the public especially the disadvantaged groups

Some loans were advanced for a multiplicity of projects without paying attention to the viability of the projects undertaken and capacity of governments to pay back such loans (Zaire is a case example of this). As such, project failure rate was quite high in many countries.

Practical Examples of Malawi and Zaire

In Malawi loans were contracted to support the despotic, corrupt and oppressive regime of

Kamuzu Banda. Most of the loans, especially from the IMF, did not pass through Parliament for approval. In 2002, Malawi's public and publicly guaranteed debts stood at \$2.7 billion with 85% being owed to the multilateral creditors, 11% to bilateral creditors and 4% to the commercial creditors.

In the early 1960s and 1970s Mobutu Sese Seko of Zaire received massive loans from the West to stop the spread of communism in his country.

"Anything I say is law. Literally law. It is a fact in this country. Everything - education, economy, agriculture and transport" - Mobutu Sese Seko.

As a result, it is generally observed that power distribution is uneven with one partner being more powerful than the other. The donor, in this case, is able to impose policy conditionality and accountability demands on the aid recipient country without the latter demanding reciprocal behaviour from the donor. Currently there are no existing mechanisms to deal with erring donors especially on their unfulfilled pledges and commitments.

Congo's public debt stands currently around \$12 billion with 91% being publicly guaranteed.

Illegitimate debts as tools of domination

In several cases, very little benefits trickled down to the people on the grassroots. Such irresponsible lending by creditors led to some corrupt African leaders/governments stashing away huge sums of money in foreign accounts at the expense of their citizens. Thus, demanding payments from the citizens of these countries for loans that did not benefit them directly is morally and socially unjust and politically incorrect. Such payments are injurious to the poor and tend to retard the process of MDG implementation.

In the spirit of accountability, we demand that northern governments should help affected African countries to trace the stolen money and have it repatriated to help with MDG implementation. Since it takes two to tango, we demand that both creditors and debtors acknowledge their clear roles in past policy mistakes.

Link between Illegitimate debts and MDGs

Since servicing of illegitimate and odious debts constitutes capital flight from African countries, we demand that an immediate stop be put to this. This will then unlock resources for investment in the social, productive and infrastructure development in poor countries. The MDGs require a substantial scaling up of both official and private resources but this is highly unlikely if illegitimate debts are not cancelled in full.

Lessons Learnt and Way Forward

Clearly MDG Goal 8 is the only key to the realisation of the other seven goals. It is the basis for holding both donors and aid recipient governments accountable to their own commitments. Donors should embrace fair trade as opposed to free trade. Donors need to gather both political will and courage and go beyond the usual "promises made" to "promises kept" if MDGs are to be met by 2015.

In the principle of fostering good global governance, we urge the IMF, World Bank and other creditors to open up the loan negotiation process to public scrutiny in order to prevent bad loans from being lumped on our weak governments. We implore our governments in the south to institute constitutional and administrative reforms to promote responsible borrowing.

African leaders should strive to improve their governance agenda by embracing the tenets and principles of accountability, openness and transparency in the management of public affairs. Corruption must be fought at all levels of society and poor policies and weak administration structures should be eliminated.

As a way forward, all illegitimate loans/debts should be cancelled in order to put the affected countries on a sure footing of attaining the MDGs. Donors/creditors should cancel all illegitimate and onerous debts while at the same time increasing their official aid (both in quantitative and qualitative ways).

Real Life

"We will have time to reach the Millennium Development Goals - worldwide and in most, or even all, individual countries - but only if we break with business as usual. We cannot win overnight. Success will require sustained action across the entire decade between now and the deadline. It takes time to train the teachers, nurses and engineers; to build the roads, schools and hospitals; to grow the small and large businesses able to create the jobs and income needed. So we must start now. And we must more than double global development assistance over the next few years. Nothing less will help to achieve the Goals."

United Nations Secretary-General Kofi A. Annan

The Debt Crisis: the African Perspective

Demba Moussa Dembele

The year 2006, the 10th anniversary of the failed HIPC Initiative, launched by the IMF and World Bank in September 1996, in response to calls for the unconditional cancellation of developing countries' debt. That failure, like the previous ones, lies in the approach to the debt crisis by the dominant paradigm, which continues to present the crisis as a result of southern countries' economic and financial mismanagement, aggravated by some exogenous shocks. In reality, the debt crisis is part of the crisis of global capitalism and a manifestation of the unequal power relations that exist between the South and the North.

Debt illegitimacy remains to be the number one enemy. Put into its real historical and political context, debt is first and foremost a political and social issue, not just an economic and financial issue, as the mainstream discourse tends to present it. In reality, by its origins, uses and impact, the external debt of the South is odious, illegitimate and immoral.

It is this monster, 'debt', that reflects unequal power relations between South and North. The debt of many developing countries is partly a legacy of colonization and aims to perpetuate the domination of the South by the North. After a long period of domination, repression and denial of their peoples' basic rights, most of these countries had to rebuild their economies almost from scratch. Given the nature of their economies, their immense social needs and the paucity of financial resources, these countries were obviously at a disadvantage in dealing with western countries and financial institutions.

These unequal power relations are at the heart of the process which led to the debt crisis and to its worsening. These imbalances of power, allowed the North to exploit the vulnerability of the South and impose on southern governments conditions that violated their sovereignty and standard rules of international agreements. Most of those conditions were fraudulent and onerous. In several cases, debt was incurred without a real transfer of physical assets. Furthermore, the costs of some of those assets were much higher than their world prices. Still other completely outdated assets were sold to southern countries as new assets and at costs much higher than their real prices.

In other words, debt led to the vicious cycle of borrowing to pay loans and renders Southern countries even more vulnerable to predatory lending, external shocks and speculative capital flows, as the 1997/1998 Asian currency crisis illustrated.

No doubt debt is an instrument of resource plunder. The unequal power relations also explain why debt is an instrument of resource control and plunder. If many countries are in the throes of abject poverty it is in large part because their resources are controlled by so-called creditors or their corporations and banks. Indeed, the debt crisis has been used as a pretext to impose the privatization of public assets and essential services, robbing people of the South of their own resources, including natural resources, such as mines, oil fields, natural gas and so forth. In many countries, state-owned assets are put on sale and huge profits are made by foreign 'investors' and transferred abroad without any benefit to the country.

It is clear therefore that debt serves the strategic interests of 'creditors'. Loans and credits made by northern governments, financial institutions and banks are part of the strategic goals pursued by these governments. Those loans and credits were meant to buy economic, financial, political and strategic favors. They contributed to securing sources of abundant and cheap raw materials as well as to opening up markets for their products and services. They also contributed to expanding or strengthening the political and ideological influence of these countries. In particular, those loans served to secure military bases and other strategic facilities in countries or regions deemed 'vital' to western interests. This was particularly true during the Cold War period, when the East-West divide provided the pretext to shore up pro-western and anti-communist regimes, most of which were illegitimate and dictatorial regimes.

In light of this analysis debt therefore violates peoples' basic human rights. Debt is among the primary causes of the abject poverty affecting the population of developing countries. Debt service takes away precious resources to the detriment of education, health and other basic social needs. It is a violation of basic human rights to spend much needed resources on an illegitimate debt at the expense of urgent human needs, especially for women and children, who have paid a heavy price to the debt crisis. Yet, much of that debt was contracted by dictatorial and corrupt regimes, protected by the West during the Cold War. Indeed, much of the debt did not benefit the peoples of the South and in many cases was against their interests. Funds from loans did not benefit the peoples and in many cases were harmful. Debts of private corporations were assumed by governments and paid for by taxpayers. Funds were lost due to corruption, inefficiency. They were not used

for stated purposes or financed projects and programs which were harmful to people, to communities and to livelihoods or the environment.

But now, the people of those countries are being starved to death to pay for debts that never benefited them and worse, were used to repress them. The Marcos dictatorship in the Philippines is a well-known case. In Africa, a case that could come close to Marcos' is Mobutu's, the former dictator from the current Democratic Republic of Congo (DRC). He came to power in the early 1960s through a CIA coup after the vicious murder of Patrice E. Lumumba, the hero of the Congolese independence. For three decades, Mobutu, who prided himself on being the friend of George Bush Senior, looted his country, with the acquiescence and help of western leaders and financial institutions, which had a free reign in exploiting his country's resources - diamond, copper, cobalt, gold, etc... - and helped him loot his country. The DRC is today one of the poorest countries as a result of this tragic reign. Yet, its people are asked to make sacrifices to pay back Mobutu's debts, while they are confronted with an abject poverty, innumerable diseases, hunger and high rates of illiteracy.

It does not need a person from another planet to conclude that debt is an instrument of recolonization. Debt and associated policies have aggravated the economic and social conditions in the South, especially in Africa. Loans come with conditionalities that undermine the sovereignty of nations and violate basic rights. They perpetuate and intensify exploitative relations between lenders and borrowers. Many countries are forced by the IMF and the World Bank to open up their economies to external competition. Trade liberalization has destroyed domestic livelihoods and increased food dependency. A report by Christian Aid documented the huge costs of trade liberalization to African countries (Christian Aid, 2005). Privatization has transferred most state-owned assets to foreign hands, thus increasing foreign control over developing countries' economies.

Solidarity Over Oil, Debt and Global Finance

The roughly 40 participants at the meeting went through a process of brainstorming:

- (i) a shared long-term vision and;
- (ii) a set of shared goals over the medium-term (5 Years).

The objective was to identify common goals that could be agreed amongst the diverse participants and could serve as a basis for ongoing collaboration. This was followed by small group discussions that shortened the list to a smaller number of goals that enjoyed the highest level of agreement and interest amongst the participants. Finally, a common integrated version was developed and discussed.

What follows is the integrated version (including, at the end, a list of issues that it was felt required further discussion). This integrated version was prepared with a view to guiding action planning (which took place later in the conference). It was assembled relatively quickly by a sub-set of the meeting participants following the small group session and was then discussed and agreed in plenary.

Integrated Version of Vision and Desirable Outcomes (5-Year)

1. Vision Statement:

Our vision is a world where it is not growth, consumption or greed that determine the conduct of finance, and how trade takes place, where human rights, human security, and human needs and environmental protection are given paramount importance, where there is equitable and democratic control of resources, and where there is just and fair relations between sovereign nations.

In our dreams the world where conflict is settled peacefully is very real. Even now, we live a tiny portion of our lives in this way each day, in peace, with the affection of family and friends, with the abundance of sharing and community. But we are also realists enough to know that it is possible that we won't see the completeness of this world in our lifetime. And this is why justice, dignity and solidarity are important; they will guide us and those who shall come after us, away from these conflicts, will make these conflicts shrink until they disappear.

It is not absurd to say that one day, climate change will be taught in classes as an odd chapter in history when the world failed to think about the consequences of dirty energy. We envision that the world will free itself from the addiction to oil and make a healthy and just transition to alternative technologies and clean energy for all.

We envision a world in which there has been redress and reparations of historical debts (ecologi-

cal, economic and social). We envision a world where dictator and illegitimate debts are a thing of the past, a relic of a time when a few people abused power, draining the resources and stealing the sovereignty of peoples and nations, understanding that this is a pre-condition to enable countries and peoples to have the resources for development and climate stability. This would be a world where northern countries acknowledge their responsibility in the past for illegitimate and unsustainable debt and climate change. We envision instead a world where justice, dignity and solidarity drive finance and trade, and where people have learned to live equitably and sustainably, within limits.

It will be a world where people are empowered to determine their development and participate meaningfully in processes and decisions which affect their lives.

It is possible because we will work for a world where dignity is the main currency, justice fuels our economies and our local and global interactions, and solidarity is the only debt that people shall owe one another.

2. Desirable Outcomes (5-Year Plan): general areas of agreement

Historical redress/ equity

- Examine critically the historical exploitation of countries of the "south" that lead to accumulation of unsustainable debt
- Make explicit role of "north" in contributing to climate change via over consumption and emissions
- provide redress for those historical processes.
- Takes historical responsibility into account in just transition to energy efficiency and renewable energy

Debt

- Cancellation of debt in order for countries to deal more effectively with challenges such as climate change and initiate a renewable model of development. (Also HIV/AIDS)
- Responsibility of north to make available these resources.
- reformulate, non-sequential.
- redirection of resources created by debt cancellation for sustainable ends
- Global recognition of illegitimate, social and ecological debt. Cancellation or repudiation of illegitimate debt.
- Development of equitable financial system and terms of trade.

- Cancellation of all multi-lateral and bi-lateral debt (harder to cancel private debt);

Climate and energy

- Govts and citizens of high-income oil-importing countries should drastically curb their consumption, initiate the transition to renewables and increase their energy efficiency;
- Prioritise energy for the poor and energy that is not driven by trans-national commerce and supply-side subsidies that are directly benefiting energy companies (not old and poor people);
- End financing and other subsidies from northern govts and IFIs for the expansion of international oil industry
- Govts of non-oil producing southern countries should be implementing clear programmes for developing renewable energy;
- IFIs, ECAs to stop financing oil, gas and extractive industries
- No new exploration- moratorium on "no-go zones" on the basis of indigenous and/or biodiversity factors; Some governments of oil-exporting countries to declare moratorium on socially and ecologically delicate areas- Venezuela, Bolivia, Costa Rica

Areas of Discussion

- End oil subsidies: clarification that the initial focus is on ending subsidies that benefit northern corporations
- Sovereignty- understandable in the case of Bolivia to nationalise its assets, but problematic in situations of corruption e.g in case of Chad, or when what you do with national assets negatively impacts of neighbouring countries e.g oil- climate change
- Who should finance? Mechanisms to mobilise financing for clean energy technology development (unconditional grants) - open point - don't want a begging message from south to north;
- Unconditional debt cancellation.
- Whether to use forums like to G8 to make lobbying gains on these issues when don't feel that G8 is legitimate
- Just and transparent transition out of fossil fuel based economy to one reliant on the efficient use of primarily indigenous resources (some countries have comparative advantage in terms of wind, solar, technology, finance).

AFRODAD at the NANGO Exhibition

AFRODAD participated at the National Association of Non-Governmental Organisations (NANGO) NGO Exposition from 31 May - 2 June, at the Book Fair Pavilion in Harare. The Expo was a public oriented showcase event targeted at members of the public and other stakeholders.

The aim of the Expo was to create opportunities for interface, networking and information sharing between the sector, the public, service providers and other stakeholders. AFRODAD combined forces with our Affiliate the Zimbabwe Coalition on Debt and Development (ZIMCODD) to mount a stand on debt issues with both a national (ZIMCODD) and regional (AFRODAD) outlook. The publications on display drew the attention of mainly organizations working on regional development issues and students who needed them for research purposes or background study for their exams.

The Expo is an irregularly held event, but there was no doubt that visitors to the stand were familiar with both AFRODAD and ZIMCODD and debt issues in particular. Questions asked at



AFRODAD exhibited its publications and fielded questions from stakeholders at the NANGO NGO Expo in Harare

the stand were more on Zimbabwe and its debt status, while there was also interest in the HIPC debt initiative in view of the G8 debt cancellation promises at Gleneagles.

AFRODAD participates at expositions and international Book Fairs to highlight its high quality publications and associated materials that are required reading by university and government libraries on debt and development.

Upcoming Major Political and Mass Mobilization Events

July 2006:

- o G8 Summit in Russia with major issues of Debt-Energy-Oil
- o 50th Anniversary of the International Finance Corporation.

September 2006:

- o World Bank and International Monetary Fund (IMF) Annual General Meeting (AGM) in Singapore.
- o International Call for Action against IFIs worldwide.
- o Ongoing process on World Bank "Clean Energy and Development Framework" - another decision at World Bank/IMF Singapore AGM.
- o Meeting of Finance Ministers and decision moment on cancellation of debt claimed by the Inter-American Development Bank.
- o International call to action against the war on Iran (Sept 23-30).
- o Conference organized by NGOs and committee of Environmental and Economic Ministries working to get proposal on oil moratorium and debt relief/cancellation on agenda of candidates in Ecuador.
- o Export Credit Agencies (ECA) meeting on Organization for Economic Cooperation and Development (OECD) common approaches environmental and transparency issues (Northern Autumn 2006).

October 2006:

- o Presidential Elections in Ecuador.

November 2006:

- o International demonstration against climate change (4 November).
- o Climate Change demonstration in Kenya (11 November).
- o Meeting of the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC)
- o Meeting of the Parties to the Kyoto Protocol (MOP) in Nairobi (often referred to just as COP/MOP).

January 2007:

- o World Social Forum, Nairobi, Kenya (debt and other issues to be focus).

February 2007:

- o Kyoto Protocol 10th Anniversary Global Commemoration (16 February).

March 2007:

- o Global Day of Action against the occupation of Iraq (20 March).

April 2007:

- o Intergovernmental Panel on Climate Change (IPCC) to release Fourth Assessment Report.
- o Profit numbers released for major Oil Companies, Private Banks and Sharehold-

ers meetings

(Spring Annually).

- o World Bank/IMF Spring Meetings in Washington.

May 2007:

- * 40th Annual General Meeting of the Asian Development Bank in Kyoto, Japan (and 10th year of the Kyoto protocol).

July 2007:

- o G8 Summit in Germany - Call for mobilization around debt/poverty issues.

November 2007:

- o Key Climate Change Convention discussion on Post-2012 climate regime.

Other 2007 considerations:

- o 2007 is the Sabbath Year for Jubilee USA - 7 years after Jubilee 2000.
- o 2007 is the half-way point on the path to meeting the Millennium Development Goals.
- o 2007 is the 200th Anniversary of the end of the Atlantic Slave Trade, to be focus of work in Africa/UK; links possible with debt and other issues.
- o Presidential elections in Brazil.

July 2008:

- o G8 Summit in Japan and report-back on Gleneagles Mandate.

November 2008:

- o US Presidential Elections.

AFRODAD Secretariat 2006



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VISION

AFRODAD is inspired by a vision of equitable and sustainable development leading to an African and worldwide prosperous society.

MISSION

AFRODAD's mission is to secure a positive policy change to redress Africa's debt and development crisis through research, policy dialogue, information dissemination and advocacy in collaboration with partners.



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