

# **Summary Report of the International Study and Strategy Meeting on Illegitimate Debt**

Quito, Ecuador - September 9 to 15, 2008



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*The South-North International Campaign on Illegitimate Debt held its first International Study and Strategy Meeting in September 2008, bringing together in Quito, Ecuador, some 70 representatives of the principal networks, campaigns, movements and organizations addressing the issue at the global, regional, and national levels. The intense week of debate and deliberations was an enriching and stimulating experience for all, including considerable interaction with many of the principal actors in the final stages of the official Ecuadoran Debt Audit. The conclusions of the meeting, which are presented here in summary form, will guide the action of the South-North Campaign through the present conjuncture of global turmoil and uncertainty and into coming months. Recognizing in particular at this critical moment for global finances, that the crisis of South country indebtedness is still far from over and likely to worsen dramatically in the near future, the results of the Quito meeting will enable the Campaign to build more intensively on recent achievements and breakthroughs and respond more adequately to emerging challenges through clearer strategy, broadened participation, enhanced coordination, and the development of new joint initiatives.*

## **I. Background and Rationale of the Quito Meeting**

The South-North International Campaign on Illegitimate Debt was formally launched in January 2007, at the Nairobi World Social Forum, culminating a series of efforts and gatherings including in particular the Second South-North Consultation on Debt (September 2005, Havana) that provided the context and impetus for elaborating the principal areas of consensus on which the campaign is based<sup>1</sup>. Over the same period, many significant breakthroughs have come as a result of decades of South-North campaigning, including the unilateral Norwegian decision to cancel several debt claims on the basis of “failed development policy” and “lender co-responsibility”, the opening up of discussions of the previously taboo topics of odious or illegitimate debts and responsible lending in international fora including UNCTAD and the World Bank, the creation of the Comprehensive Debt Audit Commission in Ecuador, and parliamentary decision in the Philippines to suspend payments on questionable loans and loan-financed dubious projects.

In the face of these and other developments in the global debt scene, including tougher negotiating stances by some governments, the questioning of orthodox policies linked to the accumulation of illegitimate debt, the push to create new financing arrangements such as the South Bank, and the emerging challenges posed by the current economic-financial crisis, debt campaigners have been encouraged to intensify their efforts. The Quito Meeting was thus organized in response to the urgent need felt for a dedicated study and strategy meeting in order to collectively chart a course for moving forward.

### **Meeting objectives**

The Study and Strategy Meeting served as a venue for bringing together representatives of the

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<sup>1</sup> More details in annex 1 of this report.

principal networks, campaigns, movements and organizations working around the world on illegitimate debt, in order to:

- Develop sharper collective understanding and establish clearer, firmer consensus on both the theoretical and operational definition(s) of illegitimate debt, and the question of principled, responsible and alternative financing.
- Review progress and gains thus far, and take stock of the changing situation of public debt and international finance, and challenges and opportunities for campaigning.
- Develop clearer and more coherent strategies for translating general calls for cancellation or repudiation of debts on the grounds of illegitimacy into immediate gains as well as significant advances in the longer process of structural and political changes.

### **Meeting agenda**

The six-day meeting was phased, with study then strategy sessions<sup>2</sup>. The study sessions were focused on the concept itself of illegitimate debt, issues and challenges related to its operationalization, engaging governments and international institutions and using legal/judicial arenas for concrete actions against and/or for avoiding illegitimate debt, and transforming the international (and national) financial architecture towards principled, responsible, and/or alternative financing.

During the strategy sessions, attention was focused on taking stock of achievements, potential, opportunities, and challenges, and defining the directions, objectives and priorities of the campaign for the coming two to three years. Specific elements that were debated thus included illegitimate debt and movement building, and the relation of illegitimate debt to other critical issues such as the food, climate and financial crises; aid, trade, taxation and capital flight; ecological debt; war, militarization and post conflict societies; and migration. Participants also debated strategies for compelling international institutions and governments to recognize the issue of illegitimate debt and take action; for catalyzing, supporting, and promoting debt audit processes; and for achieving principled / responsible / alternative financing. Finally, matters of internal functioning and coordination were taken up, together with discussion on existing joint initiatives – including the Global Week of Action vs Debt and IFIs – and new areas for collective study and action as proposed by participants.

## **II. Meeting results**

### **Meeting attendance**

Representatives from 50 global and regional networks and organizations from more than 36 countries from Africa, Asia, the Americas, and Europe participated in the meeting, held in Quito, Ecuador, from September 9-15, 2008<sup>3</sup>. The meeting included all of the principal networks working on illegitimate debt at the global and regional level and expressed an important diversity in terms of country situations, debt campaigns, and gender. The meeting was aimed at a representative grouping of organizations and movements that work directly on illegitimate debt but also included some new additions.

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<sup>2</sup> See Annex 2 for the complete agenda.

<sup>3</sup> The participants list is attached as Annex 3.

## **Meeting location – linking to the Ecuador process**

This South-North Meeting was held in Quito as a clear expression of global support for the decision of the Ecuadoran president to carry out an official audit of the debt claimed from that country, in response to the important mobilization nationally and internationally. Participants of the South-North meeting had various opportunities to meet with the Comprehensive Public Credit Audit Commission (CAIC, in its Spanish acronym), to exchange information on the experience and challenges faced by the Commission and the different processes of Citizen or Official Debt Audits now in progress or due to begin soon in more than 15 South countries. The Ecuadoran National Debt Group, a coordination of different civil society movements and organizations, hosted the meeting.

## **Meeting methodology**

In this meeting the South-North Campaign on Illegitimate Debt was able to make significant progress elaborating various common strategies. Before the meeting began, participants were provided with a detailed agenda and various input papers developed by the meeting's preparatory committee. The papers included discussion guides and background material for the study sessions and briefing papers for the strategy sessions. The study sessions were primarily for discussion of the concepts and issues, establishing the basis for discussion of strategies and plans. There were short presentations to start off each session, based on the input papers. The bulk of the time, however, was devoted to a discussion among participants in order to explore common ground, establish consensus where possible, identify points of contention and look at how the concepts and analysis can be operationalized and addressed jointly. Resolutions and action points were confirmed at the end of the strategy sessions. Moderation according to agreed rules was implemented by a team of experienced Southern and Northern facilitators drawn from meeting participants. Energy-raising exercises and other diversions were assured by a small group of volunteers.

## **Main strategies and actions agreed**

During the study sessions the following general issues were highlighted:

- there is common agreement that the concept of illegitimate debt encompasses but also goes beyond, more limited notions of illegality;
- organizations may have different definitions of illegitimate debt, for different purposes and audiences, taking into consideration work for specific immediate gains, and towards more strategic comprehensive social transformation;
- in the pursuit of short-term gains, there are essential or core points that cannot be compromised;
- it is possible to demonstrate the illegitimacy of the system while taking up illegitimacy of specific debts, yet not all organizations prioritise challenging the entire system;
- appropriate tactics have to be applied given different situations, arenas and political moments;
- to build broad support there is a need to explain issues in a popular, accessible way.

In terms of strategies, the following are the main points:

### **1 - Context, challenges, overall direction and priorities.**

The Campaign objectives and priorities agreed at its launching were ratified. Towards the strategic goal of abolishing illegitimate debt and ending debt domination, these include the

following more immediate objectives <sup>4</sup>:

- a) Raise awareness and deepen understanding of the issue of illegitimate debt among social movements, labour movements, civil society organizations and the broader public;
- b) Promote grassroots actions and peoples participation in initiatives aimed at ending illegitimate debt;
- c) Challenge the dominant framework on debt peddled by international financial institutions and other lenders; assert critical perspectives and analyses, and reshape the terms of the debate;
- d) Compel South and North governments, inter-governmental organizations and international financial institutions to acknowledge the issue of illegitimate debt and start taking action towards the cancellation and/or repudiation of illegitimate debt.

Related issues were also considered important for mobilisation and political impact. These include the financial, climate, food and energy crises; domestic debt; asymmetrical South-South financial relations; reparations for ecological and historical debt; future lending; debt and militarization, migration, conflict, humanitarian aid and trade; and links with tax justice/capital flight. It was also decided that more coordinated global efforts are needed to support follow-up to the Ecuador audit process and get other governments to carry out their own audits or follow Norway in cancelling debts.

## **2 - Movement building on illegitimate debt.**

One of the main areas of agreement concerned the need to strengthen movement building on illegitimate debt. Participants recognised that increased regional and global co-ordination has assisted groups in identifying themselves as part of a global debt movement, which has had a positive impact on organising at national levels by increasing the legitimacy of political positions and improved education and mobilisation work on the ground. The Global Week of Action against Debt has contributed significantly in this way. However, due to different political realities and histories, experiences regarding movement building at local levels in the wide range of countries that are part of the global debt movement are distinct. The success of many actions for example, appears very much to depend on national processes and circumstances. Long-term movement building continues to be a central challenge for action both locally and as a priority focus of the global campaign.

The following strategies were highlighted:

*Widen the political analysis* - advance specific concerns on debt within a broader analysis and strategies on injustice and geopolitical realities. This can assist activist development and favor the building of alliances and linkages with groups working on other issues.

*Invest in activist development with a wide range of groups and communities and*

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<sup>4</sup> See Annex 1 for the complete listing of Campaign objectives and priorities.

*build alliances* – make more formal efforts to reach out to other groups and networks to ensure strategic and long-term collaboration. One example is the effort now being put to link movements against debt and the IFIs with groups and campaigns focused on climate change.

*Strengthen mass/grassroots component & raise capacity at the grassroots for political analysis and action* - ensure increased capacity in our organisations for grassroots organising. One barrier to popular mobilisation on illegitimate debt is a lack of operable definitions and of communications and education material. The development and sharing of accessible, popular resources can be supported at the international level.

*Strengthen Practical South-South, South-North Solidarity* - build campaigns around specific cases of illegitimate debt as one avenue. Develop global capacity to respond at critical junctures.

*Be More Creative* - experiment with new, more challenging approaches to political action. This can help revive activists who are tired of repetitively used approaches such as signing petitions.

*Strengthen Focus on Movement Building in our International Co-ordination* – give priority to strategies that strengthen joint campaigning tools and political positions in a way that facilitates grassroots mobilising at national and regional levels. Until now the Campaign has been relatively strong on international consultation and planning but less strong regarding collaboration on strategies toward movement building; it was agreed that additional attention should be given to the latter.

### **3. Illegitimate Debt and Related Issues**

#### **a) Illegitimate Debt and Climate Change**

False solutions to climate change – such as those proposed by the World Bank – must be denounced and their relation with illegitimate debt exposed. Campaigning for recognition of ecological debts, restitution and reparations is a way of tackling the crisis at its roots. Disseminate this information in clear language to involve more debt groups and build stronger alliances with environmental organizations. Specific actions agreed upon included:

- Produce educational material with 4-5 case studies on links between illegitimate debt, the World Bank and climate change;
- Create a common South-North platform/statement of debt campaigners on climate and get broad support;
- Build stronger alliances by circulating materials during and participating in activities such as the October 9 Washington WB CIF meeting, October 13 day of global week of action on debt to focus on climate links; the IFG meeting November 14-15; Social Forums and People's Summits; have stronger presence in the Climate Justice Network; and get involved in the planning of the Copenhagen 2009 – COP meeting – to ensure the inclusion of a strong debt message;
- Advocacy in the context of international meetings and with specific governments.

#### **b) Illegitimate Debt and Food Crisis**

The campaign endorsed the principle of “Food Sovereignty” and agreed to start a process of deepening and defining unities on the principle and the links to illegitimate debt. The campaign decided to make an effort to build alliances with other movements working on the food crisis and to disseminate information on the relation between the crisis and debt. Specific actions include:

- Build a media strategy to link debt and food crises;
- Produce a more substantive document on the linkages –for both educational purposes and media work; include references to agrofuels and proposed debt swaps for food.
- Make use of specific action dates, such as 9/26 Global Day against EPA’s and October 16 Global day of action vs the food crisis within the Week of Global action vs debt and IFIs.
- Participate in certain arenas in order to raise awareness of the link between debt and food crisis: UN, FAO, WB, IMF, regional development banks, and the UN-FfD;
- Organize conferences with politicians to discuss debt and food linkages with a regional approach;
- Study the issue of loan financing of standards of food production for export;
- Promote information on organic agriculture and permaculture;
- Produce material and meetings to campaign linkage with consumer organizations – educate on impact of food consumption and ecological debt, linkages with food sovereignty/local production efforts and need to reduce consumption in the North.

### **c) Illegitimate Debt and Financial Crisis**

Participants agreed on the need to deepen analysis on the evolving financial crisis, its impact and alternatives. The following specific action were agreed upon:

- Template opinion pieces or editorials that can be circulated and used in different national contexts. Emphasize linkages between illegitimate debt and financial crisis;
- Develop and circulate the campaign’s own media responses for others to use as basis for articles;
- Produce a kit as base for popular education material – use examples, statistics, stories to draw linkages and analogies between illegitimate debt and financial crisis;
- Develop an online register / database on illegitimate debts to consolidate and make public the risks to potential buyers/lenders. This could mean, for example, a place where holders of Argentine bonds can find information on challenges to that debt;
- Provide prior warning to potential holders of this debt so that they cannot later argue “ignorance” of the risk;
- Create posters for awareness raising on issues such as capital flight and the complicity of Northern governments.

### **d) Illegitimate Debt and Militarization, Post Conflict Situations and Migration**

The campaign agreed to emphasize the links between militarization, migration, and illegitimate debt. Participants agreed to the following strategies and actions as next steps:

- Produce and disseminate material on the issues;
- Continue pressure against the European directive against migration;
- Participate in the International Conference on Migration (October, Manila) and the Caravan between Europe and Africa;
- Strengthen the call that debt linked to external or internal conflict is illegitimate;
- Develop stronger arguments linking war to debt;
- Support the global movement against war and for peace;
- Support the international legal cases presented by organizations in countries such as Colombia and Argentina regarding violation of human rights, relating them to economic

- interests and the illegitimacy of debt;
- Continue calling for the withdrawal of troops from Haiti, the Philippines and Afghanistan and the cancellation of all debts of these countries;
- Formulate demands related to the resources that are invested in war; and
- Denounce the involvement of the IMF in the drafting and approval of anti-terrorist laws.

## **4 – Compelling International Institutions and Governments To Acknowledge The Issue Of Illegitimate Debt And Take Action**

### **a) UN Initiatives**

- The **UN Financing for Development** process is an opportunity to promote debate and agreement at official levels on issues surrounding illegitimate debt. While recognizing the considerable weakness of the overall thrust and draft outcome document of the forthcoming Doha review conference (November) – which includes scant critical reference to debt-related concerns -, participants agreed to strengthen advocacy efforts aimed at incorporating specific language on illegitimate debt and the need for the UN to initiate a political dialogue on the issue. This could contribute to the momentum raised at official and international levels, and help to draw linkages to other relevant issues such as illicit financial flows, the food and climate crises, and the links between debt and human rights. The Campaign agreed to participate in the Doha conference as well as in the final preparations, building on earlier joint position papers including in particular, the 7-point recommendations that were reviewed and endorsed. Members will use letters, meetings, and other actions to influence the G77, G20, French EU presidency and the Rio Group, among others.
- **UN Special Rapporteur on Human Rights**– The campaign decided to establish contact with the new Rapporteur to press concerns related to illegitimate debt and ecological, historic and social debt. It was agreed to organize a meeting with the Rapporteur to first clarify his mandate, and then seek to develop a more in depth process for interacting
- **UNCTAD** – The campaign will engage with UNCTAD in the process of developing its new program on debt while continuing to evaluate other forms of engaging with the institution that is now working on illegitimate debt and responsible financing.

### **b) International Financial Institutions**

Discussion on engaging with IFIs resulted in the confirmation that the purpose for any engagement should be to disempower and delegitimise them. Specific strategies and actions included:

- WB Paper and Round Table on Odious Debt follow-up – elaborate a common statement to be presented to the Bank during the Debt Conference on October 30-31;
- confront IFIs with demands for reparations and restitutions, based in particular on conclusions of the Ecuadoran audit commission;
- support the work of the campaign’s Working Group on Illegitimate Debt, IFIs, Climate Change and Ecological Debt;
- pressure governments to leave the IFIs;
- contribute to the Latin American Tribunal on the anniversary of the Interamerican Development Bank (IDB) (Medellín, March 2009);

- support Bolivia in its withdrawal from ICSID and deepen analysis on the relation between investment treaties and illegitimate debt;
- disseminate and denounce the role of other institutions in Latin America, Africa and Asia such as the Brazilian Economic and Social Development Bank (BNDES).

### **c) Specific Cases of Illegitimate Debt Cancellation and Repudiation**

Participants agreed on the importance of developing and campaigning on specific cases of illegitimate debt that can set precedents and strengthen momentum nationally, regionally, and globally. In particular, they highlighted the need to promote better info sharing re: contractual info; amounts already paid out, damages done, etc. The IFIs as well as governments should be targeted when identifying cases. Follow-up actions identified include: creating a database on specific cases; calling for cancellation and supporting repudiation in the case of the Chad-Cameroon pipeline; taking snap actions at key political moments; and developing a template for clearer arguments for unilateral action on cancellation and repudiation.

### **d) Restitution and Reparations.**

There was general agreement on the need to call for restitution and reparations while recognising the importance of considering tactics depending on the country. Specific follow-up actions identified include:

- Campaign on specific cases, such as debt claims against Haiti, DRC, South Africa, Indonesia, Argentina, Bangladesh, Ecuador (debt audit conclusions), water in Central America;
- Carry out an action during the G8 meeting in Italy;
- Develop a focus on illegitimate debt and historical, ecological and social debt during People's Summit in Spain (UE-Latin American & Caribbean, June 2010); EU-Africa summit and Asian Countries;
- Produce 2 publications on general notion of economic crimes, restitution and reparations and on landmark cases related to illegitimate debt;
- Pursue (ex)colonial powers on the recognition of colonial crimes and react to related developments (Canada and Australia, Libya, etc);
- Push the UN for a mechanism for the recognition of historical economic, ecological and social debts and the need for reparations and restitutions, in alliance with indigenous peoples and other interested movements;
- Assess status of proposed EU Parliamentary Hearing and Citizens Tribunal on Ecological Debt and develop plans in accordance;
- Carry out Regional and World Social Forum activities on the issue.

## **5. INTERNATIONAL SUPPORT FOR COUNTRY DEBT AUDIT PROCESSES**

The Campaign ratified the strategic importance of the call for participatory and comprehensive debt audit processes and agreed to strengthen global coordination in support of such processes and follow-up to their conclusions. Agreement on specific actions includes:

- On the Ecuadoran Debt Audit, information about the process and results would be disseminated in different languages, identifying key moments for international support;

- information/experience sharing about the process and new constitutional provisions on debt, including as possible, participation of Audit commission members.
- Guarantee broad dissemination of ongoing processes and results; build globally on the *Audit Now! Bulletin* published in Spanish, English, French and Portuguese by Jubilee South/Americas, with short inputs from different country processes.
  - Support research, documentation, share and elaborate strategies and tips for obtaining information during audit processes. This could include the development of protocols that could manifest international support of right to information (involving for instance the Freedom of Information network).
  - Build capacity at the national level – training processes with the use of an operationally oriented manual, including also local experiences;
  - Make visible & strengthen the movement-building aspect of Audits;
  - Give special attention to the ongoing Chad-Cameroun pipeline struggle, promoting the call for Audit and restitution;
  - Galvanize international support for strategic pushes for new official Audits (such as Paraguay - binational debts, Bolivia-financial, ecological, and historical debt, Indonesia, and others).

## 6. RESPONSIBLE AND ALTERNATIVE FINANCE

After considerable discussion in plenary and in groups, the campaign agreed on a collective framework for action with regard to responsible, principled and alternative financing. The framework states that members of the campaign recognise that:

- 1) in seeking to end illegitimate debt, it is essential to deal with the past, the present and the future;
- 2) illegitimate debt will continue to accumulate unless the global economic system is radically transformed, relations between nations and within nations are equitable and democratic, restitution and reparations are made, and the restoration and compensation of ecological debt is ensured. Thus, a major element of the campaign is to develop a common vision of alternative economic and financial systems and promote and assert this in various arenas;
- 3) in the common work towards the transformation of the global economic and financial system, some organizations of the campaign also work on developing and promoting a common platform that articulates principles and demands for changes in how lending and borrowing is conducted – addressed to both lenders and borrowers;
- 4) in this area of work it is particularly important to be careful not to legitimize institutions, practices and policies considered to be unacceptable.

Specific actions for each area of focus were also agreed:

### a) Responsible finance:

- Organise a well-prepared global meeting with input papers to develop a joint global platform with demands in 2009. Before this takes place, a South-South meeting needs to be organized so as to unify demands towards borrowing governments as well as lenders;
- Elaborate a Platform/charter/statement towards Southern governments on responsible borrowing before the global meeting, including relation to alternative forms of finance;
- Elaborate a paper comparing Eurodad's Responsible Financing Charter and the World Bank's Debt Sustainability Framework;
- UN FfD process: seek to improve relevant language in the outcome document;

- Embarrass Northern governments using responsible finance demands;
- Delegitimise the World Bank using principles of responsible lending and cases of illegitimate debt;
- Conduct advocacy to denounce and respond to the G-20 work on responsible lending.

**b) Alternative financing:**

- Deepen discussion on what “development” we want and its relationship to debt and other forms of financing by exchanging proposals and documents and organising discussion events such as during the WSF;
- Develop educational activities and material for popular movements in particular, seeking to strengthen and broaden participation around the issues;
- Support and participate actively in the building of a democratic South Bank that respects human, collective, and environmental rights;
- Deepen analysis and stimulate broader discussion on other proposals such as ALBA, Peoples’ Trade Agreements (TCPs), Petrocaribe, regional monetary unions and stabilization agreements, developing unities around principles, objectives, and further common initiatives;
- Exchange information on proposals and alternatives that come forward in different regions and in support of strengthening South-South autonomy and solidarity.

## 7. OTHER JOINT INITIATIVES

One session of the strategy meeting provided space for discussion on other activities as proposed by participants during the course of the meeting. The following topics and actions were discussed:

**a) Debt Swaps:** set up spaces, organise events and share documents to stimulate general discussion; exchange experiences of debt swaps (problems, impacts and successes); monitor debt swap cases to identify the impacts; deepen discussion of a framework on the criteria for the debt swaps (ie, make sure that illegitimate debts are not swapped). The group also raised a few points of concern for the work on debt swaps:

- ODA double-counting;
- Risk of violating sovereignty;
- Risk of legitimising illegitimate debt
- Negative impacts resulting from some experiences

**b) Domestic Debt:** need to bring together and systematize analysis of existing information, analysis and materials and ensure translation; carry out more research that characterizes the nature of the debt; produce training materials; organize a meeting on domestic debt around May 2009 which will require the development of a fundraising proposal and a methodology for pooling research and proposals in this area.

**c) Permanent Peoples’ Tribunal on Debt-** Support the building of a Permanent Peoples’ Tribunal on Illegitimate Debt in 2010, incorporating preparatory processes and converging with plans for the EU-Latin America and Caribbean Summits to be held in Spain as well as ongoing Tribunal on TNCs, linking to debt and other financing issues.

**d) Legal Strategies and Arbitration -** Although illegitimate debt is not just a legal issue, the use

of legal principles, doctrine, norms, and precedents and the development of legal strategies are central for the campaign. A need for further training on the issue was acknowledged, as well as the importance of disseminating and building on past experiences. There was a discussion on arbitration but no common position was agreed by the plenary.

## **8. MECHANISMS for CAMPAIGN COORDINATION and COOPERATION**

The role of the International Facilitation Team was discussed and agreed. The team:

- works with campaign members to ensure implementation of objectives and actions;
- prepares core documents and common outputs (brochure, bulletin, website);
- discusses and seeks solutions to any divergences or process difficulties in the campaign;
- catalyzes the organisation, funding, etc. of major campaign activities.

Participants also agreed that the IFT will continue to be comprised of Jubilee South, CADTM, Jubilee USA and Eurodad.

During the meeting existing communication and campaign instruments mentioned above were evaluated and commitments were made to improve them and strengthen their use. In particular, a questionnaire yielded participants' experiences and suggestions on the *Illegitimate Debt Campaign Bulletin* and some changes to the format and content of the bulletin and *illegitimatedebt.org* website were proposed and a process approved for further development and more collective input.

## **9. WORKING GROUPS AND GLOBAL WEEK OF ACTION.**

There was full support to continue to strengthen the Global Week of Action vs Debt and IFIs and related activities in 2008 and 2009. It was agreed that the week of action website would be folded into the *illegitimatedebt.org* joint website as part of several improvements to that site.

Several working groups were formed and individuals signed up on behalf of their organization, according to interest. Each working group is responsible for planning its own activities and raising necessary funds. Each working group also has responsibility to share information on its work to all Campaign members via the broader Campaign listserve. During the Quito Meeting, a number of individuals volunteered as initial convenors in order to ensure that each of the working groups is formed. Each group will decide on its own structure and mode of operations.

<b>Working Groups</b>	<b>Initial Convenors</b>
IFIs, climate change and ecological debt	Nick (JDC UK)
Debt and Food Crisis Working Group	Aminata (CAD Mali)
Militarization, post conflict and migration	Gladys (Dialogo 2000)
UN processes (FfD process, human rights special rapporteur, UNCTAD odious debt and responsible finance process, etc)	Beverly (JS), Jostein (NCA), Rosa Emilia (Latindadd), Alex (Eurodad)
World Bank odious debt	Fabrina (JS), Alex (Eurodad)
Specific cases of Illegitimate Debt	Lidy (JS-APMDD)
Reparations and restitution	Myriam (CADTM), Camille (PAPDA), Leo

	(ANEEJ)
Debt audit manual/ guide	Lidy (JS-APMDD) and Nora (CDES)
Global platform on responsible financing	Lidy (JS-APMDD), Latindadd, Alex (Eurodad), Neil (J. USA)
Alternative financing/new financial architecture	Gabriel (Brazil Network on IFIs) and Iolanda (ODG Spain)
Domestic debt and bonds	Gabriel (Brazil Network on IFIs)
Week of Global Action	Beverly (JS), Iolanda (ODG), Nick (J-UK)
Illegitimate debt and legal strategies	Ramiro (JS - DESCAM), André (AFP)

### III. Conclusion and perspectives for the future

As mentioned above, the South-North Campaign on Illegitimate Debt made significant progress as a result of the Quito Meeting. Building on the collaboration to define and operationalize the concept of illegitimate debt in recent years, Quito was an important moment to consolidate broader organizational participation, build collective strategies and define priorities based on the needs and demands of the South and working realities both North and South.

Since the Quito meeting many plans have begun to be implemented. Although the financial crisis has evolved much more rapidly than was anticipated even in September, absorbing considerable time and resources on the part of many campaign members in order to achieve timely and coordinated global responses in line with campaign principles and targets, the IFT has held four teleconferences to follow-up on the decisions made and some of the working groups have begun to function. For example, the **Week of Global Action Against Debt and the IFIs** saw a diverse array of activities carried out in Latin America and the Caribbean, Asia and Africa, Europe and the USA. The Working Group on Climate prepared a statement on Climate Change, Debt and IFIs and supported specially focused activities during the Week of Global Action. Campaign members have circulated materials on the UN Financing for Development process and advocated to their governments to include illegitimate debt wording; campaign-initiated joint activities were also held during the Doha Civil Society Forum and in relation to the official Conference. A meeting has been held with the UN Rapporteur on Human Rights and a workshop was organized with him in Doha. A bulletin has been released in three languages. Letters, materials and calls to action related to the financial crisis and alternative financing have also been elaborated and campaign members participated in the World Bank Conference on Debt during which a joint statement was presented. Considerable information sharing and responses have been stimulated around the Conclusions of the Ecuadoran Debt Audit and subsequent action by the Ecuadoran government and movements and a joint Campaign activity is being prepared for the World Social Forum in January, 2009.

Important challenges remain, however, regarding follow-up to other agreements reached and the need to guarantee more overall and systematic progress. Among those relating directly to campaign organisation and collective capacity are the internal challenges of ensuring adequate translation, communication, and coordination, as well as the necessary funding base for both Campaign basics and specific events and initiatives. External challenges related to the economic and political context globally and nationally as well as locally, affecting immediate demands and the capacities and priorities of participating organizations, are also critical. A clear example of an external limit at the global level is the voracity of the present economic-financial crisis, which

clearly provides new occasions and contexts for developing Campaign plans and proposals while also demanding more attention in terms of analysis, research, and strengthening of alliances to coordinate joint actions and build alternatives. In this regard, the Quito meeting definitely equipped the International South-North Campaign on Illegitimate Debt with greater unities, a broader organizational base, a clearer sense of direction and strategic options, and the necessary resolve to meet these challenges creatively.

## Annex 1

### 1. The South-North International Campaign on Illegitimate Debt

**Illegitimate Debt** is now a major focus of many debt campaigns and advocacy groups throughout the world. As a result, the **South-North International Campaign on Illegitimate Debt**, one of the major resolutions of the Second International South-North Consultation on Debt in late 2005, began to take shape in mid 2006. It brings together movements, networks and organizations across the South and the North that address the issue of illegitimate debt.

There is broad consensus that the illegitimacy of debt refers not only to the unjust impacts of debt servicing but also to the violation of widely accepted legal, political, financial, economic, environmental and ethical principles and standards in the conduct, content, purposes and context of debt transactions.

The campaign builds on initiatives already being undertaken at the national, regional and global level. It seeks to enhance and magnify the impact of these efforts by creating and using opportunities and mechanisms for:

- Wider and more efficient information exchange on the issue and campaign actions;
- Cooperation around common strategies, coordination of different activities, convergence of similar efforts;
- Demonstrating unity of objectives and actions across south and north and among a broad spectrum of campaigners and advocates.

#### **Campaign Objectives**

Towards the strategic goal of abolishing illegitimate debt and ending debt domination, the campaign's immediate objectives are:

1. Raise awareness and deepen understanding of the issue of illegitimate debt among social movements, labor movements, civil society organizations and the broader public;
2. Promote grassroots actions and peoples participation in initiatives aimed at ending illegitimate debt; Broaden the support and involvement of social movements and CSOs, social institutions (ex. Churches) and allies in government and public institutions (ex. parliamentarians)
3. Challenge the dominant framework on debt peddled by international financial institutions and other lenders, assert critical perspectives and analyses, and reshape the terms of the debate.
4. Compel South and North governments, inter-governmental organizations (regional and global such as the United Nations) and international financial institutions (the IMF, the World Bank, regional development banks) to recognize or acknowledge the issue of illegitimate debt, and start taking action towards the cancellation and/or repudiation of illegitimate debt

#### **Priority Areas of Cooperation, Coordination and Joint Actions**

The campaign gives priority to promoting cooperation, coordination and joint actions in arenas, strategies and initiatives

- Directed at compelling North and South governments, international financial institutions and multilateral institutions to recognize the problem of illegitimate debt.
- Promoting understanding and increased visibility of Illegitimate Debt among social movements, civil society organizations and the general public;
- Pursuing Debt Audits --Country level, citizens and government audits in the South and in the North, National, Global Citizens Audit of the IFIs;
- Developing concept, theory, analytical tools and advocacy instruments on illegitimate debt and responsible/alternative financing;
- Targeting private banks and financial capital markets

## **Structures and Mechanisms for Campaigning**

### **International Facilitation Team**

The International Facilitation Team is responsible for encouraging, catalyzing and facilitating joint initiatives and activities in the identified priority areas of cooperation and coordination. The Team seeks to go further on mutually reinforcing country level campaigning, and propose and help implement bilateral, multilateral, plurilateral cooperation and convergence. It is also be responsible for implementing various instruments for the above purposes as well as for general promotion of the campaign to the broader international community. These instruments include the campaign **list serve, e-bulletin and website**.

The IFT is composed of Jubilee South (one representative for each region), Jubilee USA Network, Eurodad and CADTM.

### **Working Groups and Committees for specific projects, activities, initiatives**

Organizations working together on a project, activity or initiative within the broad umbrella of the campaign will take care of forming appropriate working groups and committees. Information on these working groups or committees will be shared in the list serve, e-bulletin and website.

## **Annex 2**

### Agenda of the International Study and Strategy Meeting, Quito

#### ***Study Sessions***

1. The Concept of Illegitimate Debt – Perspectives and General Definitions
2. Issues and Challenges in Operationalizing the Concept of Illegitimate Debt in the context of Debt Audits; engaging governments and international institutions for concrete actions against illegitimate debt (i.e. cancellation and repudiations) and using legal/judicial arenas for raising specific cases of illegitimate debt
3. Avoiding Illegitimate Debt and Transforming the International (and National) Financial Architecture: Towards Principled / Responsible / Alternative Financing.

#### ***Strategy Sessions***

1. Context and Challenges, General Directions and Priorities:
  - Taking stock of what we have achieved thus far in global, regional and national campaigning on illegitimate debt – in movement building, in gaining recognition of illegitimate debt, in compelling action (towards cancellation, repudiation, audits);
  - Taking stock of the major actors involved and the relative balance of forces – on the one hand our forces and relative strength, our allies and sources of political support etc and on the other – the institutions and forces we are targeting and where they stand on the issue;
  - Taking stock of current political and economic situation; opportunities and challenges for international campaigning on illegitimate debt;
  - Defining directions, objectives, priorities of the campaign for the next 2 to 3 years
2. Illegitimate Debt and Movement Building
3. Illegitimate Debt and Related Issues
  - Illegitimate Debt, Food Crisis and Trade Issues
  - Illegitimate Debt, Ecological Debt and Climate
  - Illegitimate Debt, Financial Crisis, Tax and Capital Flight, Aid Discourse
  - Illegitimate Debt, War and Militarization, Post Conflict Societies
  - Illegitimate Debt and Migration
4. Compelling International Institutions and Governments to recognize the issue of illegitimate debt and take action
  - UN related initiatives – UN FfD and other processes
  - Engaging IFIs
  - Campaigning for Cancellation/Repudiation of Specific Illegitimate Debt Cases
  - Campaigning for Restitution and Reparations
5. International Initiatives to catalyze, support, and promote debt audit processes
6. Principled / Responsible / Alternative Financing
7. Coordination and mechanisms for working together in the International Campaign
8. Other Joint Initiatives – This time was reserved for proposals not covered in other sessions

9. Global Week of Action vs Debt and IFIs and related activities – 2008 and 2009.

**Annex 3: LIST OF PARTICIPANTS**

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