

GLOBAL DAYS OF ACTION AGAINST THE IMF-WORLD BANK



Demanding Debt, Economic and Climate Justice! **October 15-27, 2024**

This year marks eighty years of the International Monetary Fund and the World Bank (IMF-WB) jointly designing and maintaining a global financial system that thrives on debt domination by rich countries, led by the G7, and the systemic exploitation and extraction of the peoples and resources of the Global South. This exploitation continues to have devastating impacts, especially on women, working and indigenous peoples, endangering livelihoods and worsening inequality within and between nations.

We stand in solidarity with all those who have suffered the impacts and consequences of these 80 years of misery, devastation and debt, and with the struggles they continue to wage around the world to stop the harm, secure justice and achieve genuine reparation.

The IMF and WB have failed to acknowledge the systemic nature of the debt crisis, focusing instead on protecting financial markets and creditors' profits, mostly in the Global North. This failure to address the critical reality of debt subjugation has led to gross violation of the rights and well-being of peoples and the planet, rendering sustainable development and climate action in the Global South virtually impossible and perpetuating colonial legacies.

Stop Driving Unsustainable and illegitimate debts

Despite the IMF-WB's proclaimed concern for development and eradicating poverty, the lending policies, structural adjustments, and loan conditionalities they impose in the Global South have built a system of perpetual indebtedness that feeds the concentration of profits in a handful of financial and corporate actors in the Global North.

Public debts in the South continue to rise as the IMF-WB promotes debt-creating, market-based, private sector-privileging "solutions", and financialization of the global economy which have proven to be harmful, short-sighted and counterproductive. They aggressively provided illegitimate lending to corrupt, undemocratic, repressive regimes, and funded harmful projects that have inflicted violation of rights to people and degradation to the environment. The people harmed by these illegitimate debts also bear the burden of paying them.

In 2024, international lenders are expected to drain US\$487 billion from governments in the Global South, the highest ever external debt service payment. It is reprehensible that most of these payments will go to Northern private lenders that make huge profits out of debt-distressed countries with higher interest rates. Other lenders, including international financial institutions and wealthy Northern governments, are also demanding substantial debt payments. IMF surcharges levied on top of debt service exacerbates the burden of countries most in need of financial assistance.

Stop Worsening Southern Debt burdens

The burden of unsustainable and illegitimate debts impedes broad-based development, deepens poverty and inequality, and undermines sovereignty. As part of conditionalities to access credit or debt relief measures, the IMF and the World Bank continue to impose austerity measures and other policies that are now ingrained in borrowing countries. Millions of people now live in countries where governments spend more on debt service payments than on essential rights and services. Healthcare, education, universal social protection, energy, access to water, care and other public services are slashed to prioritize the interest of lenders.

Women, working people and marginalized communities bear the brunt of these policies. Sovereign nations are forced to cede their self-determination to meet the endless demands of lenders. In flagrant violation of international law, control over natural resources, including fossil fuels, is ceded to extract profits and pay debts, even at the expense of social upheaval, environmental degradation, and worsening vulnerabilities to the climate crisis. These impacts have worsened inequality and the capacity of democratic processes and institutions to defy the impunity of a handful of individuals holding greater wealth and power than billions of people.

Stop dominating development and climate finance

Those historically responsible for the climate crisis continue to deny their obligation to make reparations to the people in the Global South who have contributed the least to the crisis. Instead of paying up their fair share to meet the massive climate finance needed to address the intensifying climate emergency they use the IMF and the World Bank as instruments to renege on their obligations to deliver on their obligations to provide public, non-debt creating, conditionality-free and adequate climate finance.

The Global North and the financial institutions that they control are pushing more loans and investment schemes that offer more opportunities for the private sector to make more profit. Over 70% of funds labelled as climate finance currently come in the form of loans, forcing debt-distressed countries into deeper financial crisis and locking many communities into continued fossil fuel production and resource exploitation. The World Bank worsens this crisis by pushing profit-driven, debt-creating climate programs that leave developing nations struggling to pay off loans instead of focusing on protecting their people and environment.

Despite the IMF and the World Bank's 80 years of failure to bring about adequate, equitable, sustainable development financing, those countries that control the IMF-WB are now using these financial institutions to evade their responsibility to deliver public and non-debt creating climate finance, by setting up lending facilities such as the IMF's Resilience and Sustainability Trust.

Those countries, peoples and ecosystems that have been made most vulnerable, continue to be forced to pay for a crisis they did not create. We must not forget that the Global North insisted on the WB playing a major role in the Loss and Damage Fund and the Green Climate Fund, with the aim of ensuring the North's control over these funds and that they be operated similar to the World Bank. But they were not fully successful in the face of the push back by Global South governments and civil society organizations. We must remain ever vigilant and continue campaigning to free these climate finance funds from the influence of the WB.

Reparations Now!

We reiterate the calls, demands and actions of people and communities around the world to end debt domination and make genuine reparations to those whose lives have been shattered by the system of perpetual debt and the harmful policies and programs that have been and continue to be promoted.

- We hold the IMF and WB, along with the G7 governments that control them, accountable for their role in perpetuating debt domination, the climate crisis and global inequality. We demand

a financial system that prioritises human rights, social welfare, and environmental sustainability over the interests of a wealthy few.

- The IMF-WB and other international financial institutions, private lenders and Northern governments must cease and desist from inflicting harm to people and the planet and begin the long overdue task of ensuring Justice and Reparations.

We further call for immediate and comprehensive action by peoples and governments both South and North to advance debt, economic and ecological justice.

- The Global North must immediately cancel all illegitimate and unsustainable debts, fulfil their financial obligations to the Global South, and scrap harmful lending policies:
 - Aside from bilateral loans, this must include compelling private creditors within their jurisdiction to take part in debt cancellation;
 - Wealthy polluting governments must immediately fulfil their obligation to provide adequate, better quality, new and additional grant-based climate finance as part of recognition, restitution and reparations for climate and ecological debt owed to the South;
 - Funds for Climate Action must be public, non-debt creating, democratic and independently governed by financial mechanisms under the UNFCCC and away from the IMF-WB;
 - Completely remove IMF loan conditionalities and Surcharges.
- The General Assembly of the United Nations must:
 - Establish a fair, transparent, democratic, multilateral mechanism, on the basis of a Framework Convention on Sovereign Debts, under the auspices of the UN to address the current and prevent future illegitimate and unsustainable debt crises;
 - Advance measures to enforce the human rights, peace, and environmental protection obligations of the IMF, the WB, and private lenders and put an end to their impunity of destructive lending.
- Global South must:
 - Commit to prioritise states' domestic resource mobilisation and public spending to guarantee the adequate and sustainable financing of human rights and public services. This entails decoupling of economic models from the demand to generate foreign currency for the purposes of debt servicing;
 - National debt audits must be undertaken as a participatory process to establish responsibilities and specify reparations due from existing illegitimate debts;
 - Assert the sovereign right of states to take appropriate actions to tackle illegitimate debts and prevent unsustainable debts, including the right to stop debt payment.

The time for debt justice is now! We must dismantle the structures of exploitation engendered in the global financial system and build a just, equitable, and sustainable future for all.

Cancel the Debt!

#StopTheHarm

Reparations Now!

CANCEL THE DEBT AND CLIMATE REPARATION
HISTORICAL AND CONTINUING INJUSTICE