

Concerns

- Slow creditor response to the call for total debt cancellation:
 - * **FACT:** It took the IMF 6 months (from July 2005 to January 2006) to begin implementation of the G8 Gleneagles 100% Debt Cancellation proposal.
 - * **FACT:** The World Bank will implement the G8 Debt Deal of 100% Debt Cancellation for Poor Countries at least 12 months after its proposal.
- Inadequate access to information on debt, trade and poverty: Government structures are too bureaucratic to offer timely information on debt and trade issues
- Debt relief is not a 'silver bullet': Debt relief is not an end in itself but should be used as a platform to re-align national planning for development. It is also not very clear as to when and how people's expectations and sacrifices will be met in view of debt relief initiative. Jubilee-Zambia will therefore continue to advocate for debt cancellation and prudent use of freed-up resources for poverty eradication.
- Lack of national political will to allocate sufficient resources for poverty reduction
- Too much emphasis by the Government placed on Zambia having attained the HIPC Completion Point. The process may be politicised and fail to respond to real challenges of proper utilisation of debt relief resources
- Lack of capacities and insufficient work force in the Ministry of Commerce, Trade and Industries to effectively engage in national, regional and international trade negotiations
- Lack of a common understanding on Zambia's position on trade negotiations with the European Union through the Economic Partnership Agreements (EPAs) ... free trade mechanisms that are not always 'fair trade'
- Conditions attached to both debt and trade agreements, such as the free trade being negotiated under the EPAs which has the potential of wiping out local producers if it were accepted.

Contacts

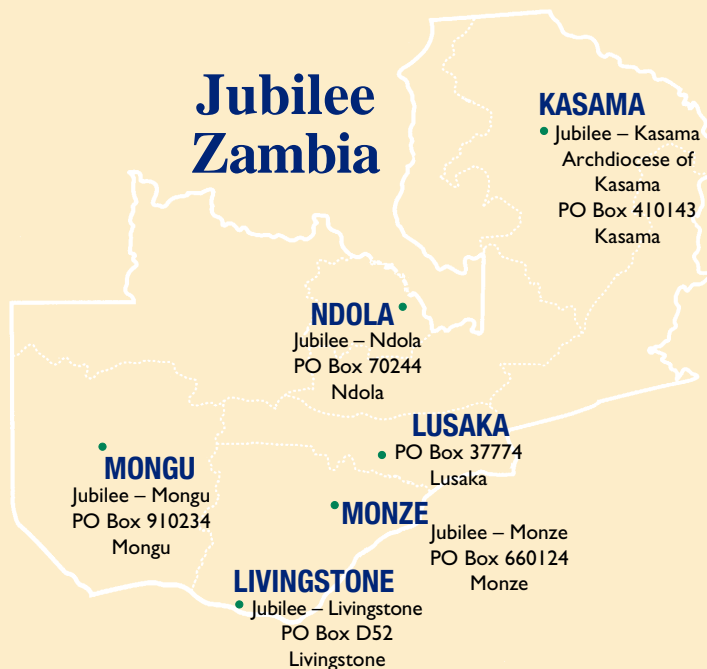
JUBILEE-ZAMBIA
DEBT CANCELLATION AND TRADE JUSTICE
FOR POVERTY ERADICATION

**(HOSTED BY THE JESUIT CENTRE FOR
THEOLOGICAL REFLECTION)**

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Jubilee-Zambia

DEBT CANCELLATION and TRADE JUSTICE CAMPAIGN



hosted by the
**JESUIT CENTRE FOR THEOLOGICAL
REFLECTION (JCTR)**

Background

Jubilee-Zambia was launched in 1998 as part of an international movement calling for the cancellation of the debts of poor countries as well as campaigning for equitable trade between these poor countries and the developed countries.

The purpose of the campaign is to secure an effective and ethical outcome of debt relief initiatives. Even though Zambia's external debts seem to be sustainable, in view of the current debt relief initiatives, there is considerable evidence that new debts being contracted will rise to unsustainable levels if Zambia continues to borrow without parliamentary oversight.

For example, debts contracted from the World Bank alone since 2000 amount to more than US\$690 million. Therefore, Jubilee-Zambia advocates for a loan contraction process that is participatory, transparent and accountable.

Zambia is also faced with unfavourable terms of international trade. The campaign is also targeted at securing equitable trade terms between Zambia and the rich countries in the North.

Organisational Structure

Jubilee-Zambia is hosted by the Jesuit Centre for Theological Reflection (JCTR) as the Debt and Trade Project. It has a Secretariat comprising a Coordinator/Policy Analyst, Provincial Outreach Programme Co-ordinator and Project Assistant. The Secretariat is responsible for the day-to-day running of the movement in Zambia.

At national level, Jubilee-Zambia has a team of about 15 strategic partners drawn from a wide range of active civil society organisations such as women and gender groups, labour unions, youth groups, media organisations and civic education campaigners. Our strategic partners are instrumental in keeping the campaign at national level active and also play an advisory and evaluative role to the Jubilee-Zambia Secretariat.

At provincial level, Jubilee-Zambia established Outreach Teams in 2000. These are located in 5 districts, namely Ndola, Livingstone, Mongu, Monze and Kasama and cover four provinces. The main objective of these Teams is to take the debt cancellation and trade justice campaign to the doorsteps of local communities. The Teams also play a key role of facilitating the active participation of the local people (community mobilization) in the debt cancellation and trade justice campaign.

Our Aims

- Ensure that more debt relief and public resources are invested in socio-economic and productive sectors for the purpose of eradicating poverty
- Encourage pro-poor programmes in Zambia, by Government, the international community and civil society in general
- Promote effective public participation, accountability and transparency in the loan and debt management systems at national level
- Promote economic and social justice literacy among local communities in Zambia
- Monitor usage of debt relief resources for effective outcomes and impacts
- Promote fair trade that benefits the poor in Zambia

Our Key Issues

- Unfair international trade relations and the negative effects on development
- External conditionality and its implications on national policies
- Accountability and pro-poor utilisation of resources freed from the HIPC Initiative and the G8 Multilateral Debt Relief Initiative (MDRI)
- Unsustainable domestic debt crisis and its impact on the suppliers, pensioners, government allocation of resources and especially the poor
- Contraction of new debts, which may accumulate to unsustainable levels

Our Strategic Focus Areas

- Total debt cancellation and trade justice
- Effective national management systems of external and domestic debt and loan contraction processes
- The role of the international financial institutions in Zambia

Our Networking Partners

- **International:** Jubilee networks, Trade and Aid Justice campaigners, Gender Equity campaigners, Environmental groups, Faith-based groups, media
- **National:** Women movements, youth groups, church-based organisations, policy analysis groups, community theatre groups, media organisations, etc
- **Local level:** Community-based organisations, faith-based groups, education institutions, media, community leaders and individuals

Our Stakeholders

- **International:** International Financial Institutions, United Nations Development Agencies, Continental development bodies, Northern and Southern governments
- **National:** National Government, Parliament, political parties, International Financial Institutions, bilateral creditors, international community development agencies
- **Local:** Civic leaders, traditional establishments, Members of Parliament

Our Achievements

- **Debt Relief:** Due to sustained pressure mounted on the creditors by Jubilee-Zambia and other partners, Zambia started receiving debt relief under the HIPC initiative in 2001. With the G8 Multilateral Debt Relief Initiative (MDRI) in place, this relief is destined to reduce the total amount of Zambia's external debt from US\$7.1 billion at the end of 2004 to US\$502 million by the end of 2006. This will result in an increase in resources for development programmes in Zambia
- **Exposing the Inadequacies of the HIPC Initiative:** Since Zambia acceded to the HIPC initiative in 2000, Jubilee-Zambia has played a critical role through research and popular education to expose the inadequacies of the initiative as a solution to the country's debt and poverty problems. The weaknesses of the HIPC initiative are much clearer after the completion point – even though external debt is economically sustainable, countries have not had a robust exit from the debt crisis. Countries are still poor and to a large extent dependent on external financing and internal borrowing. Consequently, poverty levels are still high.
- **Exposing the Inadequacies of the Multilateral Debt Relief Initiative (MDRI):** The MDRI is set to help poor countries attain their MDG targets. By further research and analyses, it is discovered that the relief to be delivered through this initiative is by far too little to enable the attainment of the Millennium Development Goals in Zambia. Furthermore, this relief is stretched over periods that extend even beyond the MDG target year of 2015.
- **National focus on effective debt and loan contraction processes:** Jubilee-Zambia has focused on providing alternatives to the current management systems on external debt and loan contraction processes in Zambia. Jubilee-Zambia formulated a Debt Mechanism and effective loan contraction process frameworks, based on the principles of accountability, transparency and public participation and these are now in the Draft of the new Republican Constitution. This aims at involving parliamentary role and oversight in the debt contraction and management process.
- **Increased public awareness on debt, trade and related issues:** Since inception, the campaign has strongly focused on policy-oriented research, popular education strategies and economic literacy programmes that aim at increasing public awareness and levels of knowledge on Zambia's debt and trade situation.
- **Civil society solidarity on debt cancellation & trade justice:** Today, Jubilee-Zambia is a strong social platform that brings together diverse groups of civil society, academia, labour unions, students, youth groups, women, community based groups, politicians and individuals. Through networking, these groups campaign for the total cancellation of Zambia's external debts and promotion of fair trade. They also advocate for effective systems to manage public resources and implement pro-poor policies and programmes.