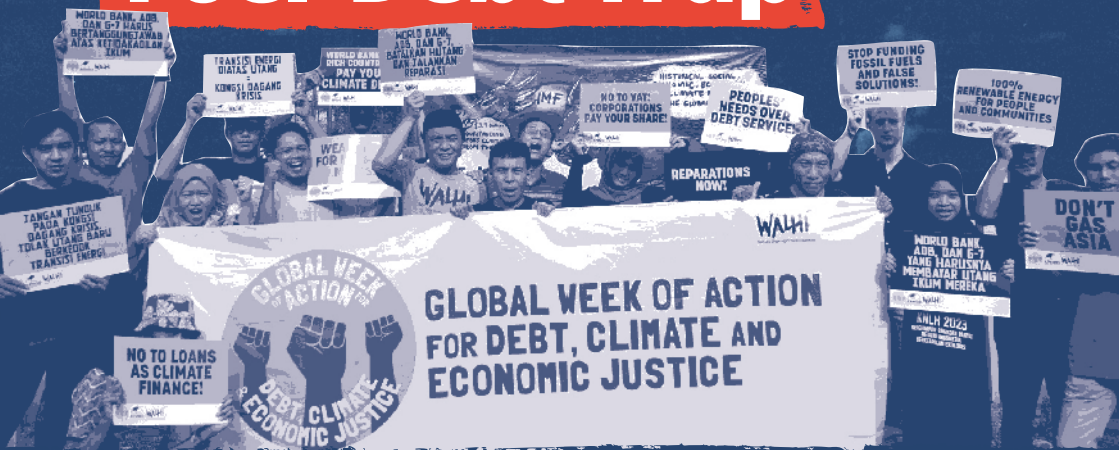


Drop it!

The magazine for Debt Justice

WINTER 2023

End the Fossil Fuel-Debt Trap



 **Debt Justice**

The new name for
Jubilee Debt Campaign

Photo: Protesters demand debt cancellation at the IMF/World Bank annual meetings in Morocco, October 2023. © APMDD

A message from Heidi Chow

Executive Director of Debt Justice

 @debtjustice @hidschow



🔥 The world is in a perilous place. But we know that hope can be forged through activism, in solidarity with people everywhere on the frontlines.

The world is in a perilous place - whether it's the horrific developments in the Middle East or the hottest temperatures ever recorded on the planet this summer. It can be easy to feel dispirited. But as people who are passionate about justice, we know that hope can be forged through activism, in solidarity with people everywhere who are on the frontlines. That's why we are more committed than ever to amplify the demands of our global South allies to address the debt crisis. You can hear from our friend Farooq Tariq from Pakistan on page 6.

We'll be at the **international climate summit COP28**, taking place in Dubai in December where we will be sounding the alarm on the deadly connection between the worsening climate and debt crises. Lower income countries are being forced to rely on fossil fuel revenues to repay debt. But the expected income from these climate wrecking investments never materialises and instead leads to further debt and more emissions. You can find out more about this on page 3 and you can also support our work to expose and challenge this injustice through our Big Give Christmas appeal.

Closer to home, we held **Together Against Debt People's Manifesto** events which kick-started a process to co-produce a set of demands with people with lived experience of debt. You'll be seeing much more on this in the new year as this manifesto will be a key campaigning tool in the run up to the general election to get household debt on the political agenda.

We are celebrating with our **Manchester Together Against Debt** group, who have won a new set of measures to protect people from bailiff action. Without this campaign, these new measures would not have happened and the group is now campaigning to end bailiff use completely.

Whether its local wins that address the punitive actions taken against people in debt or fighting for debt justice on the global stage, **we need you to take action with us** so that we can build collective power and solidarity to win the changes that our world so desperately needs.

End the Fossil Fuel-Debt Trap

The climate crisis is happening all around us. No longer forecasts, every day we're hearing reports of floods, wildfires and new, extreme temperatures.

The urgency of phasing out fossil fuels has never been greater. But many lower income countries are finding themselves caught in a fossil fuel-debt trap, pushed into new fossil fuel projects to pay off debts, rather than getting the funds they need for a just transition. That's why campaigners around the world are shining a light on these deeply unjust policies, and demanding debt cancellation.

Two sides of the same coin: The debt and climate crises

Lower income countries are currently in the worst debt crisis for 25 years. Intensified by the pandemic and rocketing interest rates, debt payments to lenders such as big banks and hedge funds, or multilateral banks like the World Bank and International Monetary Fund (IMF) increased 150% from 2011 to 2023. 54 countries are now in debt crisis, which means that their debt payments are so high they are forced to cut back on funding



Campaigners demanding action ahead of the World Bank and IMF meetings this October

healthcare, education and dealing with the climate crisis.

The flip side of this is that the climate emergency is pushing countries deeper into debt. The damage caused by hurricanes and other climate disasters has forced countries into taking new loans. Last year Pakistan was hit by devastating floods, affecting more than 33 million people with a staggering 20.6 million needing humanitarian support. Yet the bulk of the \$10 billion pledged to help the country to rebuild is being given as new loans, not grants.



© 350 Africa

The World Bank and IMF pushing fossil fuels

The World Bank and IMF are global financial institutions that are meant to support countries in crisis. In reality, they have often pushed harmful economic policies as a condition for new funding, and right now they are pressing many countries to invest in fossil fuels. Between 2015 and 2021, the IMF endorsed or directly supported the expansion of fossil fuel infrastructure in 55% of their member countries.

Without enough funding to respond to the climate crisis and deal with damage caused, over the next ten years it is projected that Sub-Saharan African countries will have to take on an additional \$996 billion in debt – a 50% increase on current debt levels. The countries least responsible for the climate crisis are being driven into debt to pay for it.

Debt cancellation and no strings attached funding is badly needed to pay off debts and fund a just transition. But to make matters even worse, some lenders are demanding countries invest in fossil fuel projects to help pay back the loans.

Uganda in West Africa took out a \$1 billion loan from the IMF in 2021. According to civil society groups, the conditions of the loan were that the government should take a “hands-off approach to the country’s development and to place greater priority on the oil and gas sector” to pay down the debt. The Ugandan government has allocated some of this loan to build the East Africa Crude Oil Pipeline (EACOP), intended to transport oil from Uganda to Tanzania. It is projected that EACOP will fuel the climate crisis by



Right: Campaigners protesting at the World Bank HQ in London.
Top: Demonstrations against EACOP in Kenya.

© Alastair Levy



Demonstrations at the IMF/World Bank annual meeting in Morocco.

facilitating oil extraction, generating over 34 million tons of CO₂ emissions a year. Over 260 organisations have come together with local groups as part of the 'Stop EACOP' campaign to prevent the pipeline being built.

In Argentina, the IMF and the government are pushing the development of fracking in the Vaca Muerta oil and gas field in Northern Patagonia as a way to solve the country's debt crisis. The former economy minister Martin Guzman suggested that oil and gas exports could hit \$15 billion by 2027, part of which would be used to pay down the country's debt. However, local and global campaigners have pointed out the environmental consequences of this approach and the economic uncertainty of investing so heavily in fossil fuels.

It's critical that lower income countries have their debts cancelled and aren't pushed into investing in fossil fuel projects to pay down existing debt.

Campaigners around the world are demanding debt cancellation for climate justice

This year the annual meetings of the IMF and World Bank were held in Morocco, the first time in fifty years that they have been held in a country in Africa. Campaigners around the world came together to demand debt cancellation for climate justice and an end to the vicious cycle of debts driving fossil fuel extraction.

This December, world leaders will gather again for the COP28 international climate meeting to discuss what to do about the climate crisis, it's crucial they get the message loud and clear that there must be debt cancellation if we are to achieve climate justice.

→ TAKE ACTION:

Add your voice to the campaign at www.debtjustice.org.uk/climate

Voices from the frontline:

Farooq Tariq on Pakistan's climate and debt crises

In 2022 Pakistan was hit by devastating floods linked to the climate crisis. Eight million people were displaced and 33 million affected. Farooq Tariq, the General Secretary of the Pakistan Kissan Rabita Committee, witnessed the impact firsthand.

"I've seen extreme resilience from communities, they want to rebuild their own life, but the state is not there to help. People are still outside their homes in tents and new rains have started. People are really terrified about what will happen.

Because of the debt crisis, there is an unprecedented price hike in Pakistan. Never have you have seen such a rise in prices. You used to be able to buy onions and garlic for 20-40 rupees a kilo, now it's over 100 rupees. The reason is that the government wants to increase its income so

they can repay the debt. Poverty is on the rise, inequality is on the rise."

Pakistan already had debts of \$136 billion when the floods hit. And now climate disaster is driving the country further into debt, the cost of rebuilding is estimated to be at least \$40 billion. Farooq is calling for action on both the climate and debt crises. He'll be taking that call to the COP28 meeting this December.

Stand with him, add your voice to the campaign:

www.debtjustice.org.uk/climate

28 November - 5 December is

Big Give week

Don't miss it!

Christmas Challenge

BigGive

Debt Justice is a small organisation but we consistently punch above our weight because of the backing of our thousands of supporters. **Our campaigns are powered by you - thank you!**

For one week only, the Big Give Christmas Challenge gives you the chance to **turbo charge your support by doubling your donation** - and the impact it has on the lives of people affected by unjust debt.

Turn: £20 into £40 / £50 into £100 / £100 into £200

Visit www.debtjustice.org.uk/biggive by midday on 5 December

GLOBAL DEBT CRISIS

Cowboy Lenders!

Imagine there's no debt...

Stop Cowboy Lenders!



Left and bottom: Debt campaigners at the 2023 Labour Party Conference in Liverpool

Stop Cowboy Lenders campaign update

Since we launched our campaign earlier this year to Stop Cowboy Lenders, we've had an amazing response. Over 6,000 of us have written to their MPs about the campaign or signed letters in solidarity with campaigners in Zambia demanding debt cancellation.

Big banks and hedge funds like BlackRock and financial giant HSBC have refused to cancel debts, despite the huge debt crisis facing many lower income countries. But 90% of debt countries for the lowest income countries are governed by English law, which means we've got a real chance to change things by campaigning for a new law to make private lenders cancel debts.

Campaigning together with CAFOD and Global Justice Now, we took your message to the party conferences this autumn. And it's starting to make a difference,

several key MPs have come out in support of the campaign. It's vital we keep pushing ahead of the likely general election next year so that whoever gets elected supports a new law to get debts cancelled.



Together Against Debt - The People's Manifesto

The number of people facing huge amounts of debt has skyrocketed in the UK, almost 13 million of are now heavily in debt. More and more people are turning to payday lenders or credit cards just to cover basic needs like food or bills. It's a silent crisis that's being ignored by politicians, but one that's causing untold levels of mental ill health and distress.

That's why we've started a new campaign - over the next few months we'll be building our Together Against Debt - People's Manifesto, a set of demands of what people with experience of debt want to see changed. From lowering energy bills to making it easier to get out of debt once you are in it, thousands of people across the UK will be having their say. We'll launch the manifesto early next year, ahead of the UK general election to make sure candidates for all parties know how people are being affected by debt in their communities.

You can get involved and add your views by filling in a short survey at www.debtjustice.org.uk/togetheragainstdebt

Debt Justice Manifesto
meeting in September 2023



HOUSEHOLD DEBT

Together Against Debt and Acorn members outside Manchester Town Hall in September



© Manchester Evening News/IDPS

CAMPAIGN SUCCESS!

Stopping bailiff visits in Manchester

The Manchester Together Against Debt group, together with renters' union ACORN, have won a major victory in the city.

A visit from the bailiffs is one of the most stressful parts of being in debt, and in Manchester alone almost 23,000 households were referred for a visit from bailiffs in 2022. Three years ago, Debt Justice set up a local 'Together Against Debt' group in Manchester. The group, led by people who have experienced high levels of debt, have been running a campaign to end bailiff visits in the city.

After a concerted campaign the council has agreed to a series of support measures to help people who are falling behind on their council tax, including grant funding and spreading payments. While this isn't an end to bailiff visits, this will mean a lot less people will face the stress of a visit from bailiffs.



Debt advice

We don't provide debt advice, please contact the organisations below if you need debt advice or support.

Advice:

Christians Against Poverty

www.capuk.org

Tel: 0800 328 0006

Citizens Advice

www.citizensadvice.org.uk

Tel: 0808 223 1133

StepChange

www.stepchange.org

Tel: 0800 138 1111

National Debt Line

www.nationaldebtline.org

Tel: 0808 808 4000

Support:

These organisations can help with the worry and stress that often accompanies problem debts.

www.samaritans.org

Tel: 116 123

www.mind.org.uk

Tel: 0300 123 3393

You can also search free and independent advice agencies in your community using:

www.advicelocal.uk and

advicefinder.turn2us.org.uk

STAY CONNECTED

 @debtjustice

 Debt Justice

 debtjustice.org.uk

 info@debtjustice.org.uk

Order campaigning materials and more editions of *Drop It!* at:
debtjustice.org.uk/materials

ABOUT DEBT JUSTICE

We are a campaigning organisation dedicated to ending unjust debt and building a fair economy for all, here in the UK and across the world.



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Cancel debt for climate justice

Take action to demand our government does more to cancel debt for countries facing climate crisis.

The climate crisis is accelerating and without drastic action it will only get worse. Despite being least responsible, lower income countries are experiencing its most destructive effects, and are being forced into debt because of it.

54 countries are in debt crisis. And it gets worse - to fund debt repayments, lower income countries are pushed into fossil fuel extraction, leading to more emissions.

There's no way out of the climate crisis without dealing with the debt crisis.

Over the next few months, the Prime Minister and other ministers will be attending key international meetings where debt cancellation and new funding could be agreed, including through a fund to pay for Loss and Damage caused by the climate crisis at the COP28 UN summit. But they will only take action if enough of us demand it.

Add your voice to the campaign.

Detach here

Dear Rt Hon Rishi Sunak MP,

Cancel debt for climate justice

For lower income countries, there's no way out of the climate crisis without dealing with the debt crisis. That's why at key international meetings I'm calling on you to:

- Push for debt cancellation for countries that need it so they can fight the climate crisis
- Make sure rich countries provide substantial funding as grants, not more loans, including through a UN administered Loss and Damage fund
- Stop countries being forced into fossil fuel extraction to pay down debts.

Signed

Name

Address

Postcode

Email

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Rt Hon Rishi Sunak MP

**Cancel debt for
climate justice**



Freepost Plus RUEB-REHA-YBHU
Debt Justice
Oxford House
Derbyshire Street
LONDON
E2 6HG

