

*Open letter*

*To the Presidents of Argentina, Bolivia, Brazil, Ecuador, Paraguay, and Venezuela*

**FOR A BANK OF THE SOUTH IN ACCORDANCE WITH PEOPLES' RIGHTS, NEEDS, POTENTIALITIES AND DEMOCRATIC VOCATION**

Dear Sirs,

The undersigned networks, organizations, and social movements, actively engaged in the struggle against the tragedy of the external debt and the perverse policies and practices of the existing international financial institutions, are writing to you in the understanding that the decision of your governments to create the South Bank can mean an enormous step and opportunity for Latin America and the Caribbean as well as for other regions of the South.

Over recent decades the region has experienced repeated cycles of financial peaks followed by disasters that have deeply marked the involution of living and working conditions and of public and social expenditures.

It is not enough to redress the negative consequences of our recent history which are well known; it is necessary as well to generate an alternative regional financial system that is consistent with the need to give absolute priority to the overcoming of the poverty, marginality and structural underdevelopment caused by the huge public and social costs of the financial disasters, the policies of deregulation and privatization promoted and conditioned by the lending institutions, and the growth of a gigantic illegitimate debt.

It is evident that the existing international financial bodies – IMF, WB, IDB – have become more and more discredited for the nature of their policies, their anti-democratic character, and the lack of transparency of their actions, to the point that not only are their results questioned, but also the very architecture of the current financial and monetary system.

We believe that the South Bank must be part of a unitary regional response, together with the founding of a South stabilization fund, a common regional currency, the undertaking of audits of internal and external debt claims, and the non-payment of those debts illegitimately demanded of our countries. A response that contributes to the cutting the ties of dependency with uncertain and highly speculative global capital markets, enabling the region to channel its own savings power, stop capital flight, and invest its resources in accordance with the social and economic needs of the people.

The sole formulation of the need for an alternative financial institution is not enough even if it is very important. The debate on the implementation of an alternative South-South bank is of utmost importance, and for that reason we support the demand of many organizations and movements in the region, that national and regional instances be created immediately in order to insure the necessary information, participation, and consultation with the organizations in societies which will be affected by the creation of the South Bank.

At the same time, and at the current instance of definitions, we think that it is essential that the South Bank start out with clear definitions regarding its resources, objectives, organization, regulations, decision-making, management, and operations, in such a way that:

- a) It defines as its central goal the promotion of the member countries' and the region's own development with sovereignty and in solidarity. Development defined as the unfolding of the attributes, resources, and potential of persons, communities and peoples; a process that cannot take place without their being the principal protagonists.
- b) It constitutes its capital and management structure in an egalitarian way among the member countries.
- c) It clearly defines that credit allocations will be for the strengthening of the public and social sector; giving priority to the redistribution of wealth and to environmental protection; contributing to the overcoming of existing asymmetries; and responsive to peoples' lives and welfare, for their economic, social, cultural, and environmental rights and for their right to their own development and self-determination. For this reason we explicitly reject the use of the South Bank for the financing of megaprojects like the South American Regional Infrastructure Initiative (IIRSA), or other extractive, contaminating, or socially-exclusive investments that serve to continue the plunder and death of the region's peoples.
- d) It explicitly establishes open mechanisms for public information and control, establishing that the bank's officials and employees will have no personal immunity or fiscal privileges, that the rendering of accounts will be made known and put to the consideration of Parliaments and of civil society, and that all information shall be considered public.

We believe that all of the above is in keeping with the Ministers' Statement of Quito, May 3<sup>rd</sup>, 2007, where it points out: "The people have given their governments a mandate to provide the region with new instruments of integration for development that must be based on democratic, transparent, and participatory schemes that are responsible to their constituencies."

The current regional and international economic and financial situation is favourable to take concrete steps in this direction, but it may not last. We hope that this historic possibility is put to use in order to create a truly Peoples' South Bank.

Sincerely,

## **First SIGNATURES**

**Jubilee South**

**Committee for the Abolition of Third World Debt (CADTM) international network**

**Jubileo Perú**

**American Association of Jurists (AAJ) -AAJ representation before the United Nations-  
International Debt Observatory**

**Instituto para la Producción e Investigación de la Agricultura Tropical (IPIAT Venezuela)**

**International Alliance of Inhabitants**

**KAIROS Canada**

**PAPDA-Haïti**

**Policy Alternatives for the Southern Cone (PACS)-Brazil**

**Rede Brasil sobre Instituições Financeiras Multilaterais**

**Red Mexicana de Acción frente al Libre Comercio (RMALC),**

**SEPLA**

**Congreso Bolivariano de los Pueblos**

**AFRODAD**

**CRED (Centro investigación y elaboración para la democracia)- Italy**

**RNDD–Niger (member of CADTM international network)**

**LATINDADD**

To add your organization's endorsement, please send a message to Jubilee South/Americas at [jubileosur@wamani.apc.org](mailto:jubileosur@wamani.apc.org) and/or Jorge Marchini, [jorgemarchini@fibertel.com.ar](mailto:jorgemarchini@fibertel.com.ar)