



PRESS RELEASE



UN OFFICE OF THE HIGH REPRESENTATIVE FOR THE LEAST DEVELOPED COUNTRIES,
LANDLOCKED DEVELOPING COUNTRIES AND SMALL ISLAND DEVELOPING STATES

UN Envoy hails decision by Russia to cancel LDC debt

United Nations, 26 December 2006: A senior United Nations envoy today welcomed a recent decision by Russia to write off \$558.48 million worth of debt to six African nations, all of which are categorized as Least Developed Countries. (LDCs)

Russia offered to write off \$11.75 million owed by Benin, \$162.8 million owned by Ethiopia, \$102.45 million owed by Madagascar, \$148.6 million owed by Mozambique, \$20.86 million owed by Tanzania, and \$112.2 million owed by Zambia. The debt relief was offered under the Heavily Indebted Poor Countries (HIPC) Initiative.

The Group of Eight (G8) industrialized countries, which Russia is part of, agreed to write off up to US \$55 billion of poor countries' debts at a summit at Gleneagles, Scotland in July 2005. Of the total, Russia pledged to cancel \$2.2 billion.

Mr. Anwarul K. Chowdhury, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, said, "These countries have been facing the challenge of a huge, unsustainable debt service payment. Consequently, their economic growth and development has been stunted."

While welcoming the move by Russia, Mr. Chowdhury said that he hoped the G-8 initiative would be accomplished fully in a short time frame.

"Only 100% debt cancellation would free the resources needed for investment in health, education and for fulfilling the basic needs of the population," the UN envoy noted.

Mr. Chowdhury added, however, that substantial additional development assistance was required to complement debt cancellation for the LDCs to achieve the Millennium Development Goals. Fifty countries are classified as LDCs by the United Nations.

"LDCs have made great strides to create an enabling environment, mobilize domestic resources and attract foreign direct investment, although the results fall far short to get them on the road to development without international financial assistance," he said.

The Under-Secretary-General called upon donor countries to increase development assistance to LDCs to meet the targets agreed upon in the Brussels Programme of Action for LDCs which calls for 0.15 to 0.20 percent of donor Gross National Income

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