



# PRESS RELEASE



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

## **UN envoy for vulnerable countries welcomes debt relief for Sao Tome and Principe, Haiti**

**New York, March 19:** Sao Tome and Principe as well as Haiti have been granted debt relief which could add up to over USD 800 million for the two Small Island Developing States, which are also Least Developed Countries.

The World Bank and the International Monetary Fund announced last week that they would forgive 91 percent of Sao Tome and Principe's external debt, which amounts to USD 327 million. The debt relief, under the Highly Indebted Poor Countries (HIPC) initiative, follows six years of economic reforms by the African island-state of 200,000 people.

The Foreign Minister, Carlos Gustavo Dos Anjos, said that the government would negotiate for the annulment of the remaining 9 percent of the debt – or USD 33 million – with bilateral partners to whom it is owed. He said the debt relief would enable the country to channel resources towards development.

Meanwhile, the Inter-American Development Bank has announced debt relief for Haiti, the only Least Developed Country in the American hemisphere. The Caribbean country, which is making progress towards completing the HIPC process, will receive an interim debt relief of USD 20 million over the next two years from the bank. By 2009, it could obtain full debt relief, including USD 525 million from the Inter-American Development Bank.

Welcoming the developments, the UN Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, Mr. Anwarul K. Chowdhury, said that the debt relief would boost the two countries' efforts to eradicate poverty.

“The heavy debt burden continues to be a major hindrance to the efforts of vulnerable countries to improve the quality of life of their people, as it deprives them of the resources needed to build productive capacities and provide social services,” he said. “Full debt forgiveness is therefore vital to achieving the Millennium Development Goals and the targets of the Brussels Programme in these countries.”

He called upon other creditors to take cue from the international and regional financial institutions and cancel all the debts they are owed by the vulnerable countries.

The Programme of Action for the Least Developed Countries adopted at the Third United Nations Conference for the Least Developed Countries in Brussels in 2001 calls for relieving these vulnerable countries of the debts they owe so that resources may be freed up to support poverty eradication efforts.

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