



PRESS RELEASE



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

UN Envoy calls for urgent scrapping of Liberia's all multilateral debt

New York: 23 February 2007: The UN Envoy for the world's most vulnerable countries today called for the immediate scrapping of Liberia's all multilateral debt, arguing that ongoing onerous debt servicing would only further delay the country's transition from conflict and emergency to democracy and development.

Anwarul K. Chowdhury, UN Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, said that while the 700 million US dollars debt relief announced during the recent international donor conference was a "major step towards spurring development" in the West African nation, immediate additional measures were necessary if a meaningful impact was to be made in tackling the country's myriad development challenges.

"Now is the time for multilateral institutions to step up to the plate and commit to assisting one of the world's poorest countries rid itself of the stranglehold of poverty," said Mr. Chowdhury.

The UN envoy applauded the cancellation of Liberia's debt of US \$391 million by the United States and of an additional combined debt of US \$300 million by Britain and Germany at the donor conference in Washington DC last week.

Liberia continues to shoulder US \$ 3.7 billion of international debt, mostly arrears accumulated during almost two decades of civil strife and malgovernance. Of the US \$ 3.7 billion, it is reported that US \$1.6 billion is owed to multilateral financial institutions, including 740 million to the

International Monetary Fund, 530 million to the World Bank, and 255 million to the African Development Bank.

The UN Envoy pointed to a bold move undertaken in 2005 by the G-8 summit of industrialized countries to cancel at least \$ 21 billion in debt owed by the world's 13 least developed countries to multilateral financial institutions. Relieved of the debt-servicing obligations of millions of dollars annually, these countries could use the resources toward basic health care, primary education and poverty reduction programmes.

“Undoubtedly, Liberia deserves special consideration given her recent tumultuous history and current post-conflict reconstruction efforts. As one of the world's 50 LDCs, the country is confronted with serious structural weaknesses. The efforts of the Government and the people of Liberia would really benefit from a decision to immediately forgive its outstanding multilateral debt,” Mr. Chowdhury added.

Since establishment of the UN Office of the High Representative for the most vulnerable countries in 2002, Mr. Chowdhury has been advocating strongly for the “cancellation of all unsustainable debt in all LDCs”.

For further information, please contact: Ricardo Dunn, Information Officer, United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. Tel: (917) 367-2471. Email: dunn@un.org. Website: <http://www.un.org/ohrlls/>