

In this context, the external debt of the poorest countries in Sub-Saharan Africa poses a number of unique problems requiring special attention. Even though the relatively small debt in absolute terms (approximately US \$85 billion) makes it less of a threat to the world financial system than do the difficulties of the major debtors, the debt is a very heavy burden for the small, fragile economies involved. In most cases, declining terms of trade have made even more problematical the servicing of external debt in the short term. Most of the debt of the poorest countries is owed to governments and international financial institutions, and thus these donors have the opportunity to play a direct role in helping to address the problem.

Since the 1987 Venice Summit, there have been a number of important achievements in that field. At Venice, a high priority was placed on the special problems encountered by the poorest countries. Summit leaders called for the expansion of the Structural Adjustment Facility (SAF) of the International Monetary Fund, which provides concessional financing for the poorest countries which are seeking to implement economic reforms. This goal was achieved last December, when agreement was reached to triple the SAF's resources. Leaders also looked to the possibility of innovations at the Paris Club, where official debt is rescheduled. There, agreement has been reached on more generous grace and repayments for the poorest debtors. For its part, the World Bank has been able to marshal commitments of US\$6.7 billion from bilateral donors in co-financing of Bank adjustment programs in the poorest countries in Sub-Saharan Africa over the next three years. Finally, some countries have provided relief on past official development assistance loans.

At the Francophone and Commonwealth Summits last fall, Canada announced it would forgive such debts for 13 countries in Sub-Saharan Africa. This measure follows an undertaking Canada made at the 1986 UN Special Session on Africa to contribute to relieving the debt burden in that region. Even with these recent initiatives, a special UN advisory group estimates that an additional US \$2 billion is needed annually over the next few years to restore prospects for development and growth in the poorer countries of Sub Saharan African.

Canada will seek to ensure, as has been its tradition in past Summits, that the interests and perspectives of developing countries are taken into account at Toronto, particularly in light of Canada's role as host of the Francophone and Commonwealth Summits in 1987.