



communiqué

N°:
 No.: 172

September 2, 1987.

CANADA CANCELS DEVELOPMENT DEBTS OF LOW-INCOME COUNTRIES

The Secretary of State for External Affairs, the Right Honourable Joe Clark, announced today at the Francophone Summit that Canada intends to cancel the development assistance debts owed to it by a number of low-income countries in sub-Saharan Africa.

For French-speaking countries, the new measure, which is subject to Parliamentary approval, will eliminate over \$300 million of the debt. The French-speaking countries that will benefit from the decision are:

<u>Countries</u>	<u>Amount of Outstanding ODA * Debt to Canada</u>
Senegal	16.8 million
Zaire	31.3 million
Madagascar	22.9 million
Cameroon **	143.7 million
Congo	22.6 million
Côte d'Ivoire	80.0 million
Gabon	7.6 million
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	\$324.9 million

In recent years, Canada has taken a number of steps to reduce the debt burden of developing countries. All development loans to the least developed countries - the very poorest - already have been converted into grants. Since April 1986, new bilateral assistance - to all of Canada's aid recipients - has been in the form of grants.

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At the United Nations Special Session on the Critical Economic Situation in Africa in May 1986, Canada announced a five year moratorium on ODA debt service for 12 sub-Saharan countries. The new measure announced today will effectively transform the moratorium into complete cancellation of the development assistance debt to Canada of these countries.

- * Official Development Assistance
- ** Is not a participant in the Summit