

Debt crisis relief for poor countries nowhere near enough: UN

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Online Desk: Current attempts to resolve the debt crisis swamping poor countries do not go anywhere near far enough given the scale and urgency of the situation, the United Nations warned Wednesday. UN trade and development chief Rebeca Grynspan said the issue should feature prominently at next week's meetings of the World Bank and the International Monetary Fund.

The debt crisis "is an important issue. It has to be discussed", the head of the UN Conference on Trade and Development (UNCTAD) told reporters as she launched its flagship annual economic projections report. The efforts undertaken within the G20, the World Bank and the IMF to find ways to lower the debt burden of low-income countries are insufficient, Grynspan said. "That is very slow. There are more countries that need help. So we need to have a better mechanism for a faster resolution of the debt problem," she said. Indebted countries need help "to negotiate better; we need to sit everybody at the table", she said.

Added to this is the urgency of preventing countries from defaulting on their debt repayments, Grynspan said, as she welcomed ongoing talks to give much more heft to the World Bank and other regional development banks. "Part of the problem is that the system is small with respect to the scale of the challenge that we have," she said, noting that the World Bank has grown much slower than the global economy — and therefore has more difficulty meeting needs.

This year, the IMF and the World Bank will hold their traditional autumn meetings away from their US headquarters. Financial leaders, top financiers and other development and NGO executives will meet October 9-15 in the Moroccan city of Marrakesh, which was devastated last month by a violent earthquake which left nearly 3,000 dead in the region.