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Russia Vows to Forgive Ethiopia's Debts Amid Growing Push for Influence in Africa

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Yegor Aleyev / TASS

President Vladimir Putin announced Monday that Moscow will soon forgive Ethiopia its debts — the fourth African country to be forgiven in recent years as Russia moves to increase its influence on the continent.

Putin made the announcement on the eve of the first-ever Russia Africa Summit, which will bring more than 50 African leaders to Sochi on Oct. 23-24. Speaking with the state-run TASS news agency, Putin said that developing mutually beneficial ties with African countries is among Russia's top foreign policy priorities.

Ethiopia's $163.6 million debt will soon be written off under Russia's debt-for-development program, he said. Mozambique, Madagascar and Tanzania have already had their debts canceled under this program.

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Putin said that Russia has already written off about $20 billion of debts to African countries that had accumulated during Soviet times. “It was not only an act of generosity, but also a manifestation of pragmatism, because many of the African states were not able to pay interest on these loans,” he said.

Here is an overview of African countries that have had their debts to Russia written off in recent years:

Ethiopia

Debt: $ 163.6 million

Ethiopia’s debt is expected to be cancelled under Russia’s debt-for-development program. The program assumes that debt cancellation is made in exchange for privileges such as expanding business opportunities for Russian companies, access to natural resources and building strategic economic ties.

Mozambique

Debt: $40 million

In 2017, Russia forgave Mozambique’s $40 million debt. The decision was made under the UN World Food Program (WFP) to free up resources for humanitarian development.

David Beasley, the WFP’s executive director, said this debt swap is the largest in WFP history and is expected to provide meals to 150,000 children in Mozambique over a five-year period.

Madagascar

Debt: $89 million

In 2015, Russia signed a decree forgiving $89 million of Madagascar’s debts to Moscow, directing this money to be used for development projects in the country. The action was part of the G8's decision to aid the world’s poorest countries.

Tanzania

Debt: Unknown

Tanzania was one of the first African countries to have its debt canceled under Russia's debt-for-development program in the early 2000s. Putin called the move "not only an act of generosity, but also a manifestation of pragmatism."

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