

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Department Welcomes Debt Relief for Liberia

6/29/2010

TG-766

WASHINGTON – The U.S. Department of the Treasury today congratulated Liberia for successfully establishing a track record of good performance under programs designed to achieve economic growth and poverty reduction resulting in debt relief from the international community. Reaching "completion point" under the Enhanced Heavily-Indebted Poor Countries Initiative (HIPC) recognizes Liberia's performance under its International Monetary Fund (IMF) program and its excellent progress on adopting and implementing economic reforms in the face of a challenging economic environment both domestically and internationally.

"Today's decision marks a major achievement in Liberia's progress towards economic sustainability and the international community's recognition of that progress. This is a great milestone for Liberia," said Under Secretary for International Affairs Lael Brainard. "Relief of Liberia's debt burden is crucial to Liberia's recovery after years of violence and civil war. To allow Liberia to move forward in rebuilding its economy and in light of its achievement under the Enhanced HIPC Initiative, the United States intends to cancel 100 percent of its remaining claims after the September meeting of the Paris Club of international creditors, bringing the total amount of U.S. debt relief for Liberia under HIPC to more than \$400 million. The U.S. urges Liberia's other bilateral creditors to be equally generous."

Since 2008, Treasury technical advisors have been working closely with Liberia's Ministry of Finance to implement a Code of Ethics, strengthen internal controls to deter and detect corruption, and improve tax collection procedures.

In accordance with the Enhanced HIPC Initiative and the Multilateral Debt Relief Initiative, "completion point" will bring cancellation of an estimated \$2.7 billion in debt from the Paris Club, the IMF, World Bank, African Development Bank and other creditors. It marks the culmination of a process that will ultimately result in a greater than 90 percent reduction of the debt inherited by Liberia's government, which has been estimated at \$3 billion in 2007 (in net present value terms).

The United States supports the efforts of the Liberian people and the government of President Ellen Johnson Sirleaf to overcome years of conflict and instability and to implement reforms that are putting Liberia back on the path of growth and development. The United States looks forward to Liberia's continued progress and remains a steadfast partner in Liberia's development.

###

