

Opening Statement
President Ellen Johnson Sirleaf
Press Conference at the World Bank, April 16, 2009

Thank you all for being here. Today is a big day for the people of Liberia. I am pleased to announce that Liberia has bought back USD\$1.2 billion in debt from its foreign commercial creditors. We purchased the debt earlier this week at a discount of nearly 97 percent off the face value, the deepest discount ever negotiated on developing country commercial debt. We are pleased that creditors holding 97.5 percent of the claims participated in the operation, one of the highest rates of participation in a sovereign buyback in the last few decades.

The successful resolution of this inherited debt, which had ballooned through interest and penalty charges during a period when my country was wracked by civil war, is an important step on our road to recovery, and substantially reduces our outstanding debt. This puts us on a firmer footing to attract investment and accelerate economic growth.

This historic deal would not have been possible without the strong support of our international partners, who provided the USD\$38 million needed to complete the operation. I would like to particularly thank my friend President Zoellick for his personal support for Liberia, and for the support of the World Bank and all of its shareholders. The World Bank provided half of the financing for the buyback, and the World Bank's Debt Reduction Facility provided the mechanism for other partners to contribute and to conclude the operation. I want to thank the World Bank staff, both the Liberia country team and the debt team, for their dedicated efforts to make this operation a success.

We are very grateful for the staunch support of four key partners that provided the other half of the financing: the people of Germany, Norway, the United Kingdom, and the United States. It is only through the firm support of our partners that Liberia has been able to begin to rebuild from the ashes of war, and this deal would not have been possible without the efforts of our friends in these four countries.

I also want to thank our legal advisors from Cleary Gottlieb in New York, and our financial advisors from Houlihan Lokey in London and the Center for Global Development in Washington. They were a great help to us, and they have worked tirelessly for several years to make this operation a success. We are grateful to the World Bank, the Government of Switzerland, and the Open Society Institute for their generosity in supporting the work of our advisors. Thank you all from the people of Liberia.

We have been meeting with, and negotiating with, the creditors for two long years. With Liberia's difficult situation, the negotiations were not always easy. Liberia's situation was unusual in that the vast majority of the creditors were not the original holders of the debt, but rather hedge funds and other investors who had purchased the claims over the years on the secondary market. But we are pleased that we were able to amicably conclude an arrangement in which the holders of the 25 participating facilities received treatment fully comparable to what Liberia will provide to its official creditors under the HIPC Initiative. I

would like to thank the creditors for their participation in this successful operation.

This deal has enormous implications for the people of Liberia. These debts were originally incurred by autocratic and unaccountable governments more than 25 years ago. Instead of benefitting from these loans, Liberia descended into a long and violent conflict that destroyed our infrastructure, devastated government institutions, and decimated our society.

But the Liberian people never lost hope, and their patience and resilience are now being rewarded. We have been at peace for nearly six years.

People are rebuilding their homes and communities. Children are returning to school, and we are beginning to provide running water, power, and basic sanitation. We are taking strong steps to improve governance and strengthen accountability, and are beginning to see the results. According to the World Bank's Global Governance indicators, Liberia has shown the largest improvement of any country in the world

in fighting corruption over the last two years. Investment is growing, and the economy is on the rebound, with growth averaging nearly nine percent for the last three years. We still have a long way to go, but the dark days of the war are over, and we are well on our way down the road to recovery, and this week's deal is another step along that road.

Our foreign debt has been a large millstone around our necks. By 2007, with accumulating penalties and interest our debt reached USD\$4.9 billion, equivalent to 700 percent of our GDP, by far the highest ratio for any developing country in the world. But several of our partners have taken strong steps to reduce our debt burden. We cleared our arrears with the World Bank in late 2007, which reduced our debt by 400 million dollars, and I want to thank President Zoellick again for that support. We reduced our debt to the African Development Bank by USD\$250 million. And our Paris Club bilateral creditors have already eliminated USD\$800 million in debt, with major contributions from our partners here today – Germany, Norway, the United Kingdom, and the United States – alongside several other countries.

With this week's deal, our debt is now down to about USD\$1.8 billion, fully USD\$3 billion less than eighteen months ago. We look forward to reaching the HIPC Completion Point by early next year, at which time our official creditors will cancel most of the remaining debt. At that time, the millstone will be off our neck, and we will be able to fully re-engage with the global economic community as we continue to rebuild the new Liberia.

Thank you very much.