

Statement by H.E. President Ellen Johnson Sirleaf
Following World Bank Announcement of Liberia Reaching
HIPC Completion Point
Tuesday, July 29, 2010

Fellow Liberians;

My People:

Today is a great day for Liberia! We have reached the HIPC completion point.

HIPC means Heavily Indebted Poor Countries. It refers to those countries, like Liberia, that owe a lot of money internationally, and who are undertaking major reforms so that their debts can be cancelled.

When we came into Government, Liberia owed a staggering US\$4.9 billion debt. Just to explain what that means: Our budget for 2009-2010 is US\$350 million. To settle that US\$4.9 billion debt, we would have had to pay our creditors our entire budget for 28 years!

Previous governments had borrowed from the World Bank, the International Monetary Fund (IMF), other countries, and companies, and had not paid back any of the loans. Since the 1980 coup d'état, followed by our 14-year civil war, none of our loans were serviced, and so the interest and the penalties grew and grew.

My Administration inherited this huge debt, which has been hanging heavily around the country's neck. From the day I came

into office, I promised to do everything in my power to put our economic and financial house in order, and to get this unbearable burden, which was holding back our recovery and development, off our backs.

To get to where we are today, our Government was forced to carry out difficult reforms. The two largest international institutions we owed money to – the World Bank and the IMF – prescribed tough medicine which we had to swallow, but which enabled us to better manage our economy and our finances.

Despite the hardships, coming during a global economic and financial recession, we kept our economy stable; we attracted private investment; we passed a new law to govern our budget; we provided health services and made sure teachers and civil servants got paid on time; we made government budget and accounts more transparent; we supported the activities of the General Auditing Commission and the Anti-Corruption Commission; and we began tackling poverty through our Poverty Reduction Strategy.

Because of the way we tightened our belts and conducted ourselves, by not borrowing from anybody and spending only the revenues we collected, including your taxes, the World Bank and the IMF have just announced that we don't have to pay them back.

As of today, we are well on our way to shedding the massive debt we owed. But it's not over just yet. Next month, we have to go before another institution, the Paris Club, to ask them to cancel the rest of our debt.

And when I visited Kuwait two weeks ago, we spoke about a loan we signed with them 32 years ago for road construction, and how to clear up that debt. Back in 1978, I personally went to Kuwait and signed that loan myself, for US\$6.7 million. We built the Cape Mount road from that money, and that road is still good today. But

because we didn't pay back the loan, the debt has grown to US\$12 million. The Kuwaitis want to come back to help us with other roads, once we settle this matter.

That, My Fellow Liberians, is what has happened today. Most of our debt is gone, erased; a huge burden has been lifted. And you, the Liberian people, had a hand in this success, and we say thank you.

But what does this mean for you, the people all over this country?

By this announcement, the world is saying it can trust Liberia again. Because we have regained that trust, others will want to invest in our development priorities – our roads, our power-generation capacity, our ports, as well as our mineral and agricultural sectors.

This also means the Government will be able to do more through its own budget by creating badly needed jobs, by building roads, bridges, providing more electricity and more water, which will improve the lives of our people. We must also do this carefully by putting the new money we have into activities that will produce more money and more jobs so that we do not get our country in big debt again.

The peace we have enjoyed, going on seven years, coupled with all the measures I mentioned, have led the world's leading financial institutions to declare us trustworthy, and it is you, My Fellow Liberians, who will benefit. However, let me caution that the benefits will not come overnight, but they will come if we remain steadfast as a nation and a people.

In reaching the HIPC completion, we are indebted to many institutions and people: our international partners, our creditors, our supporters. I thank them, and am confident that they will continue to be Liberia's friend, going forward.

But today, Ladies and Gentlemen, is a day for us, as Liberians, to celebrate. We made sacrifices, too – many sacrifices. You made those sacrifices by not being able to get some of the basic services to which you were entitled, but we can now reap the rewards. For the first time in decades, we can rejoice and declare that we have broken the decades-old cycle of financial mismanagement. We have all earned this day.

Among our own people, let me acknowledge our economic management team – the Ministry of Finance and the Ministry of Planning and Economic Affairs, and the Central Bank of Liberia – which labored tirelessly for our financial reform; Dr. Antoinette Sayeh, our former Finance Minister, who started us on this road; and Dr. Toga McIntosh and others who represent us in the World Bank. We are proud of their dedication, their commitment, and their triumphs.

We also acknowledge the honorable Members of the Legislature for their support, as well as those who visited me to congratulate the Administration for this success.

Like someone who has toted a heavy load for many miles, we can now cast it off, straighten our backs and lift our eyes to the horizon where a better day is breaking – a day when we will stand on our own, unsupported, and proud. For I firmly believe that in 10 years, if we stay on the path of reform, and follow the roadmap of our national agenda, our country should no longer depend on foreign assistance. We should be able to self-finance our own development.

My Fellow Liberians:

As we look forward to marking our country's 163rd year of independence in July, we also proudly celebrate a new dawn of freedom and independence – freedom and independence from a crushing debt burden.

My People:

The big debt is off our head! For that, we give thanks to God. May God bless Liberia and its resilient and remarkable people for a job well done!

I thank you.