

Ebola: US Asks IMF to Write Off \$100m Debt of Guinea, Sierra Leone and Liberia

By Jerin Mathew

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Medical staff put on protective gear in Kenema government hospital before taking a sample from a suspected Ebola patient in Kenema. Reuters

The US government wants the International Monetary Fund (IMF) to write off the debts of three developing West African countries that are the hardest-hit by the deadly Ebola epidemic.

US Treasury Secretary Jacob Lew is proposing a plan at the G20 meetings in Australia to cancel \$100m (£63.5m, €80.3m) of debt of Guinea, Sierra Leone and Liberia.

The US treasury wants the debt relief to come from a special IMF trust fund set aside for countries impacted by natural disasters. The fund was established in 2010 for the cancellation of Haiti's \$268m debt after its devastating earthquake.

The three countries owe the IMF about \$370m. Guinea, where the outbreak began, spends more money annually on debt than on public health.

Lew earlier said in a statement to Reuters that eliminating \$100m of debt would strengthen the nations' economies as they struggle to recover from the devastating effects of the virus, which has resulted in thousands of deaths.

"The International Monetary Fund has already played a critical role as a first responder, providing economic support to countries hardest hit by Ebola," Lew said.

"Today we are asking the IMF to expand that support by providing debt relief for Sierra Leone, Liberia, and Guinea."

Guinea pays about \$147m annually in debt service, but spends just \$102m on public health, according to 2012 World Bank figures.

The World Bank noted that West Africa stands to lose more than \$25bn in GDP and 4% of its annual growth without intervention from international financial organisations.

"Debt relief means more money to deal with so many challenges these countries face," said Eric LeCompte, executive director of the religious debt relief organisation, Jubilee USA.

"It means more money for recovery after Ebola is contained. Debt relief means hope."