

Chad receives \$1.1bn debt relief from IMF and World Bank



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A man displaced by fighting and suffering from abdominal pains waits for doctors at an empty clinic in the eastern Chadian town of Gos Beida Reuters

The International Monetary Fund (IMF) and the World Bank have announced \$1.1bn (£714m, €86m) in debt relief for Chad, the world's fourth least-developed country with more than half of its population living in poverty.

Out of the total relief amount, \$1.0bn is expected to be delivered by multilateral creditors and the remainder by bilateral and commercial creditors.

The money comes through the IMF and World Bank's two major debt relief programmes – the Heavily Indebted Poor Country Initiative (HIPC) and the Multilateral Debt Relief Initiative (MDRI). Chad is the 36th country to receive HIPC relief and the first since 2012.

The debt relief will "help Chad allocate more resources for poverty reduction and the promotion of economic growth", [said Mauricio Villafuerte](#), IMF mission chief for Chad.

"Sound macroeconomic management will remain critical after the completion point for Chad to reap the full benefits of the debt relief."

"Debt relief for Chad means an investment in education and healthcare," said Eric LeCompte, executive director at anti-poverty organisation Jubilee USA Network.

"Debt doesn't exist in a vacuum," noted LeCompte. "Chad has immense challenges and its debt burden worsens all of them. Less debt means more hope."

As of 2013, the Central African nation owed \$2.2bn to foreign lenders and spent over \$100m annually paying off debt.

Prior to receiving debt relief, Chad owed around \$800m to the World Bank and \$400m to the African Development Bank. Chad also owes about \$500m to other governments.

Thirty-nine countries are currently eligible for HIPC debt relief. Three qualifying countries yet to receive relief are Sudan, Somalia and Eritrea.

Chad is one of the poorest countries in the world with widespread illiteracy, low life expectancy and high infant mortality rate.

The country suffered from a civil war from 2005 to 2010 that devastated its economy. At present, Chad faces significant regional challenges related to the Boko Haram militants.

<http://www.ibtimes.co.uk/chad-receives-1-1bn-debt-relief-imf-world-bank-1499236>