

Press Statement
December 22, 2005

**IMF to Extend 100 Percent Debt Relief to Cambodia
Under the Multilateral Debt Relief Initiative**

Mr. John Nelmes, the Resident Representative of the International Monetary Fund in Cambodia, issued the following statement today in Phnom Penh:

“Under the Multilateral Debt Relief Initiative, the IMF Executive Board has approved debt relief for Cambodia (see [Press Release No 05/286](#)). As part of the Initiative, the IMF will provide 100 percent of debt relief on all debt incurred by Cambodia to the IMF before January 1, 2005 that remains outstanding. This amounts to approximately US\$82 million. This debt relief should become available in early January as soon as the remaining consents of the contributors to the PRGF Trust Subsidy Account have been received. The international community has made these additional resources available to help Cambodia make progress toward its Cambodia Millennium Development Goals (CMDGs).

“Cambodia has qualified for IMF debt relief because of its overall satisfactory recent macroeconomic performance, progress in poverty reduction, and improvements in public expenditure management. Since 1999, Cambodia has enjoyed robust economic expansion, with annual growth rates averaging over 7 percent and inflation being kept under control. During this period, the Royal Government has shown strong commitment to implementing its National Poverty Reduction Strategy, and improving public administration, in particular public expenditure management. Performance in these areas provides assurance that

resources made available under the Multilateral Debt Relief Initiative will be used effectively.

“The IMF looks forward to working with Cambodia to help it develop a strong and stable economy and to make sustained progress toward the CMDGs,” he said.