

# Want to Help Nepal Recover from the Quake? Cancel its Debt, Says Rights Group

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Global Research, April 29, 2015

[IPS](#) 27 April 2015

Region: [Asia](#)

Theme: [Global Economy](#)

School children in Nepal's Matatirtha village practice an earthquake drill in the event of a natural disaster. A 7.8-magnitude earthquake in Nepal on Apr. 25, 2015, has endangered the lives of close to a million children. Credit: Department of Foreign Affairs and Trade/CC-BY-2.0

UNITED NATIONS - The death toll has now passed 3,300, and there is no telling how much farther it will climb. Search and rescue operations in Nepal entered their third day Monday, as the government and international aid agencies scramble to cope with the aftermath of a 7.8-magnitude earthquake that struck this South Asian nation on Apr. 25.

Severe aftershocks have this land-locked country of 27.8 million people on edge, with scores missing and countless others feared dead, buried under the rubble.

With its epicenter in Lamjung District, located northwest of the capital, Kathmandu, and south of the China border, the massive quake rippled out over the entire country, causing several avalanches in the Himalayas including one that killed over 15 people and injured dozens more at the base camp of Mt. Everest, 200 km away.

The United Nations says Dhading, Gorkha, Rasuwa, Sindhupalchowk, Kavre, Nuwakot, Dolakha, Kathmandu, Lalitpur, Bhaktapur and Ramechhap are the worst affected areas. In total, 35 out of 75 districts in the Western and Central regions of the country are suffering the impacts of the quake and its severe aftershocks.

Questions abound as to how this impoverished nation, ranked 145 out of 187 on the United Nations Human Development Index (HDI) - making it one of the world's Least Developed Countries (LDCs) - will recover from the disaster, considered the worst in Nepal in over 80 years.

One possible solution has come from the Jubilee USA Network, an alliance of over 75 U.S.-based organisations and 400 faith communities worldwide, which said in a [press release](#) Monday that Nepal could qualify for debt relief under the International Monetary Fund's (IMF) new [Catastrophe Containment and Relief Trust](#) (CCR).

The IMF created the CCR this past February in order to assist poor countries recover from severe natural disasters or health crises by providing grants for debt service relief. Already, the fund has eased some of the financial woes of Ebola-impacted countries by agreeing to cancel nearly 100 million dollars of debt.

Quoting World Bank figures, Jubilee USA said in a statement, "Nepal owes 3.8 billion dollars

in debt to foreign lenders and spent 217 million dollars repaying debt in 2013.”

Nepal owes some 1.5 billion dollars each to the World Bank and the Asian Development Bank, as well as 54 million dollars to the IMF, 133 million dollars to Japan and 101 million dollars to China.

“In order for Nepal to receive relief from the IMF’s fund, the disaster must destroy more than 25 percent of the country’s ‘productive capacity’, impact one-third of its people or cause damage greater than the size of the country’s economy,” Eric LeCompte, Jubilee USA Network’s executive director, told IPS. “It seems clear that Nepal will qualify for immediate assistance from the IMF.”

According to Jubilee USA Network, Nepal is scheduled to pay back 10 million dollars worth of loans to the IMF in 2015 and nearly 13 million dollars in 2016. Relieving the country of this burden will free up valuable and limited funds that can be redirect into the rescue and relief effort.

Strong emergency response – but is it enough?

“Time is of the essence for the search and rescue operations,” Under-Secretary-General of Humanitarian Affairs and Emergency Relief Coordinator Valerie Amos said Monday.

“The actions of the Government of Nepal and local communities themselves have already saved many lives. Teams from India, Pakistan, China and Israel have started work, and more are on their way from the U.S., the UK, Singapore, the United Arab Emirates, the European Union and elsewhere.”

Early on Sunday morning the United States’ department of defense [confirmed](#) it had dispatched an aircraft to Nepal carrying 70 personnel and 700,000 dollars worth of supplies.

But it is unclear whether or not the immediate response will prove equal to the mammoth task ahead.

The U.N. Children’s Fund (UNICEF) estimates that 940,000 children from areas severely affected by the quake are in desperate need of humanitarian aid.

The World Food Programme (WFP) has been supplying emergency food rations, while the World Health Organisation has sent in enough medical supplies to meet the needs of 40,000 affected people, yet experts say much more will be needed in the weeks and months ahead.

Tens of thousands of people are sleeping in the open air in makeshift tents; almost all are in need of better accommodation, clean water, sanitation, tents and blankets, and improved medical supplies.

A [situation report](#) released over the weekend by the U.N. Office for the Coordination of Humanitarian Affairs (OCHA) revealed, “In Kathmandu Valley, hospitals are overcrowded, running out of space for storing dead bodies and lack medical supplies and capacity. BIR hospital [one of the country’s leading medical facilities] is treating people in the streets.”

Scenes of devastation all around the country highlight the need for emergency relief, but do not do justice to the massive reconstruction effort that will be needed in the months and

years to come.

“Nepal’s rebuilding efforts will take years and debt cancellation is a recipe for long-term financial stability,” LeCompte stressed.

“Since the IMF has clear rules in place and the financing available with their trust, aid [to Nepal] should come relatively quickly,” he added. “Unfortunately, with the bulk of the debt owed to the World Bank and Asian Development Bank, the rules for debt relief are less clear.

“It’s unfortunate that the World Bank, as a development institution, still has not yet released a plan similar to the IMF to respond rapidly to humanitarian crises. In the short term, the World Bank must offer a plan for grants and debt relief. I hope this crisis also motivates the World Bank to release their plans for a rapid response mechanism,” LeCompte concluded.

*Edited by Kitty Stapp*

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