

**Statement by H.E. President Ellen Johnson Sirleaf to Board of Executive Directors at the
First Replenishment Meeting for ADF-133**

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Tunis, Tunisia

(Transcribed, as delivered)

Let me say how pleased I am to have accepted President Kaberuka's invitation to join you today to interact with you, to talk to you about some of our experiences as a post-conflict country.

Many of you know the journey of Liberia after two decades of conflict; three-year interim period of peace; and then democratic elections in 2005 that brought our administration to lead the country as of 2006.

We met a collapsed economy, dysfunctional institutions, destroyed infrastructure, and virtually a people with little hope in the future. Your institution, the ADB, was one of the first to have the confidence that Liberia, indeed, could come back. President Kaberuka visited in 2007, and he started the process – working with others, of course, with many of our other partners, to start the process of recovery, the process of rebuilding.

The many activities that, with your support, our country has benefitted from – one of the first ones was job creation, supporting civil works, public works that employed many of our thousands and thousands of young people, many of them child soldiers who had no skills and no education. I was able to give them a sense of hope.

In capacity building, through our Institute of Public Administration, just to start the process of reorganizing government entities. In the area of governance, also very strong, working with our financial management systems; helping us to get our revenue processes under way through the ASYCUDA intervention that today is a very successful one, now in ten locations where they can manage the imports and ensure that relief at customs revenues come in.

The Bank was very supportive in our debt relief effort. Liberia had a US\$4.9 billion external debt arrears, un-serviced for over 20 years. We were able, working with all of our partners, under the HIPC Program and the Poverty Reduction Strategy – a complementary program – to get relief of US\$4.6 billion of that, and your own contribution to that of about US\$258 million under the same HIPC arrangement where we accessed certain facilities of the World Bank and others.

Today, there are many other interventions that are getting started: agriculture – Liberia is, after all, an agrarian nation, and much of our agriculture has been very preliminary, subsistence agriculture basically. The support that we will be getting – and that process is just starting – will be directed at smallholders, where the greatest potential for food security lies.

You've been supporting us also in water and sanitation – we'll come back to some experiences about that, as I've shared with the Senior Management of the Bank, certain of the obstacles one faces as you go through the process of rebuilding in a fragile state which we are. Support for our Central Bank, through trying to modernize the payment system, an ongoing project.

There are two important projects that you've participated in. I've talked about the Fish Town to Harper road project. I'm sure you've been through that when you approved it, but I can say to you that that has been a transformative intervention because it has really changed the lives of people who would have no mobility during the periods of our heavy rains, and it's the cross-border with Côte d'Ivoire, so it allows a lot of cross-border trade, most of them being market women going across from one side to the other, and that has really made a big difference in their lives.

We have the energy project which takes power to the four Mano River Union countries – la Côte d'Ivoire, Liberia, Sierra Leone and Guinea; that's a project that is well-advanced, and that, again, is going to be very transformative because, for many of the communities – 18 of them in Liberia alone who've never had electricity. You can just imagine what this will do for them; for the students who are in school, to be able to access modern techniques; for the safety, because in those areas, because of the war and all of the cross-border armed activities; that brings a whole lot to security, so that has also been very supportive for us.

Supporting refugees through the UNHCR – our own refugees from Liberia, most of whom have now returned, but, increasingly, refugees from other places, from Sierra Leone and Guinea.

In the last two years, with your approval, the Field Office was established. Let me commend all of you for this because it has made a big difference in our ability to identify impediments and find a way to respond to them, and having someone that can sit with your Officer there and discuss it, and she's able then to convey to the management here what are some of those issues and talk to them about how we can find solutions to them, has really made a very big difference.

Budgetary support has also been very helpful to us at a time when our own financial systems were just being developed, and it took a lot of confidence, and I must say that the ADB and the European Commission were the first ones to come in and to express that confidence, and, along with that confidence, to help us build the financial management systems to ensure that funds were properly used.

Liberia, with the support of the Bank, joined the Extractive Industries Transparency Initiative (LEITI), and I'm proud to say we were one of the first two countries to become fully compliant. We are still compliant today, and still an example of one in which our audits that are done every year can attest to the fact that there is full reporting on the part of revenue that has been raised.

Liberia today: Moving along very well. Our growth has averaged over 6.5% over the past six years. We expect that we will go above that level. I think the projection is 7.9% for 2013; we don't accept that, we think it's too small given the fact that we have mobilized some US\$16 billion in foreign direct investment and those operations, in mining, agriculture and forestry, are just getting started.

We've been going through fiscal reform; today we introduced our first MTEF – the Medium-Term Expenditure Framework Program which started in the current fiscal year, 2012 to 2013.

We've made a lot of progress in reconstructing our economic and social infrastructure – road systems, power systems – I say power system with tongue in cheek because when only 2% of your population is covered by power, and you're paying 54 cents per kilowatt hour, that's hardly something to boast of. But you have to take everything in perspective, when in 2006 the country was totally black, there were no lights at all, not even the capital city, except through personal power generation. It's come a long way, but still a long way to go.

Also, the building of schools, clinics. Again, some of the experience of rebuilding is that you build the schools, but you don't have enough teachers, or you don't have enough books, you don't have enough laboratories to be able to get the quality education.

In the area of governance, where also you've given support, we've been trying to strengthen the pillars of integrity, that is, the General Auditing Commission, the Liberia Anti-Corruption Commission. We continue to struggle with corruption. I have to say that to you because it's been so embedded over too long a period of deprivation that we have had to look at it in a total context: first, prevention. Prevention means you've got to give people a decent wage to reduce their vulnerabilities; the installation of systems to make sure that, through automation, you can minimize the chances of personal discretion and abuse; to build the laws that protect people, like the Freedom of Information Act, our Public Financial Management Act, and new procurement laws. All of those are in place. And then the capacity, with bloated civil servants who really do not have the capacity to understand the laws, which makes it difficult. On the prevention side, I think we've done very well. The punishment side is where you have to have a judicial system that has the integrity and the capacity, and we continue to struggle with that.

We've now reached the stage where our security sector reform, which involved building a new Army, beginning to get our Police and the other apparatus in place. We now have a transition program with UNMIL – we still have a peacekeeping force. They have been reduced to 9,000 and will be going down to 7,000 in two years, and we think a full exit in two years, assuming we can do the training for our forces to take over the protection of the state.

Liberia tomorrow: We've got great ambition. Under our Vision 2030, which has just been concluded, and the five-year tranche of that, the Agenda for Transformation (AfT), we seek to become a middle-income country by the year 2030, and we want to say that we hope we'll not be aid dependent after ten years, if we put our own resources to work properly.

We've got four Pillars under our new Agenda for Transformation: Peace, Security and the Rule of Law. We have to maintain peace if we are to continue to rebuild. Under our Economic Transformation, the main issue is how we get away from the practices of the past, in which the large concessions – I just mentioned US\$16 billion in direct foreign investment – are operations with no linkage to the rest of the economy, so when those operations came to a stop, you had a vacuum and a sharp deterioration. This time, trying to align our own programs with that of the private sector, whether it's through public-private partnerships or whether it's through ensuring that all our priorities are synchronized in such a way that we maximize the benefits from those investments. There's our Human Development Pillar, and we're continuing to work on Governance.

Our Agenda for Transformation is very well aligned with the New Deal that stresses the principles of fragile states and what you do about them. Liberia is one of the six countries that are promoting the New Deal, which has been endorsed by over 24 countries. The essential elements of the New Deal are: peace-building, state-building, ownership, mutual responsibility. Those are the intertwining principles. We talk about the principles' focus and trust. Focus, meaning making fragility assessment, taking into account both national, regional, global dynamics; ensuring that there's one vision, one focus, with all the elements that go toward achieving your transformation goals.

Ownership: Use of country systems as much as possible; determine priorities on the basis of people's own choices, and that means aligning all of your partnerships and your donors together toward that; encouraging democracy and political support, to ensure consensus in the achievement of those goals.

Under trust, we're talking about transparency, risk sharing, use of country systems, strengthening capacities and timely and predictable aid.

We believe that the special circumstances of fragile states need to be addressed. They are just not the same as countries that move normally. The capacity is weak, the resources are scarce, the imperatives of urgency are more intense in fragile states because whatever you do is to ensure that you begin to consolidate those gains and deliver to people in a much more timely fashion to manage expectations to prevent any chance of slipping back into conflict.

Liberia is a part of what we call the Mano River Union countries – la Côte d'Ivoire, Liberia, Sierra Leone and Guinea – which is a subset of ECOWAS, since we are all part of the ECOWAS family. All of our four countries – some 40 million people – can be considered fragile because we've all been part of a regional war, one way or the other, and today we have these alliances across borders. Côte d'Ivoire, of course, is much further along in terms of GDP, in terms of development; the other three countries, having not been functioning for many years or involved in conflict, are behind. Today, the four countries are working hard to establish regional integration and cooperation as the only means whereby each can prosper.

We are all natural resource countries, but lacking in those basic requirements that will enable us to use those natural resources to be able to foster development, and much of that has to do with infrastructure. You still cannot, today, drive from Freetown to Monrovia on decent roads, or from Monrovia to Côte d'Ivoire on decent roads. Some work is being done on that, but we really want to see a particular emphasis on these countries because of the interconnectivity, and they've started. We've got the West Africa Power Pool that's starting, as I mentioned; we've got the CLSG, the interconnection of lights that I also mentioned. Those are ongoing, but much more is needed in terms of transport, much more of the power in each of our countries. Côte d'Ivoire is the only one that probably reaches about 40% of their population with electricity. Liberia is 2%, and Guinea and Sierra Leone are 7% and 8%.

We would like you to really focus on that, and work with us in ensuring that these Mano River Union countries – all considered fragile states – that you begin to look at development in a different way; begin to examine your own processes and procedures in a different way; working

with us to find out how we can and show the kind of synergies between the use of our natural resources through private sector arrangements and public resources, some of which come from our own, and some of your own.

All of our countries have potential in oil exploration. We are all exploring. Some have already reached discovery. It opens a whole new area that one needs to start to work to make sure that we don't have the resource curse that many other countries have experienced. Now is the time to do it, since all of these efforts are embryonic.

I was saying to some of the Senior Management, with whom I had lunch, of our own example of a water and sanitation project that was approved in 2010, and today the disbursement rate is zero, which has pulled down other good programs so that we have a disbursement rate overall of 14%. Much too low, in my view, for a country in so much need. We want to look at it on our side; the problem is not just the process itself of the institutions and our partners; it's also our capacity issues, and our own internal problems. But we hope that we can find a way to sit together and identify those problems on both sides; changing some of the processes and procedures to take into account the state of the country and its urgency, and at the same time identifying, on our side, where we need to put the effort to be able to build our capacity in the right place to overcome some of those obstacles.

Mr. President: If I may just say a word, many of you know that I'm one of three Co-Chairs of the Post-2015 Development Agenda, and we've been working toward coming out with what will be presented to Member States of the General Assembly as ideas. Clearly, no 27 persons can come up with a global agenda; they can only, on the basis of rigorous consultation, take ideas and find where consensus seems to lie and then take them to the bigger institutional bodies and, indeed, in our case, in Africa, the African Union (AU), the Economic Commission for Africa (ECA) and the regional institutions and our civil society organizations which have been fully a part of this consultative process. Reports have been written by them; those reports have been taken into account. I'm sure you have supported the AU and the ECA in some of the work they have done.

In summary, so far, we will continue and accelerate the efforts of the MDGs. We still have three years, and some of the MDG targets are still very relevant for many of our countries, so we want to see countries begin to do that, but then to also recognize new imperatives, such as environmental sustainability, which is something coming out of the Rio process on sustainable development to make sure those are incorporated; ensuring economic growth with inclusiveness; and social equity – those are the areas that beginning to again center on how do we minimize poverty; how do we fight poverty, which is the all-encompassing root cause of some of the problems which we face in our economies today. How do we redefine relationships? The New Deal principle of mutual responsibility says today that our own countries must take even greater responsibility for their own development; we must use our own resources much more for our own development; and that this partnership must define what's the mutuality in benefits, mutuality in respect, mutuality to ensure that we take charge, so to speak, that the ownership factor is stressed and is supported within the context of this partnership arrangement.

I throw these ideas out. I will have the opportunity, tomorrow, to talk to the Deputies, and we'll be focusing with them on the idea of fragile states; of the need for being able to encourage these growth corridors through some of these contiguous countries like the Mano River Union, because regional integration still remains one of the unfulfilled areas that will enable us to get the economies of scale, enable countries as balkanized as some of our countries are, in West Africa, using their comparative advantages to be able to add value and to move from just the providers of primary products into becoming industrial and manufacturing states competitive not only with other areas of Africa, but competitive worldwide. We'll be trying to encourage them tomorrow to look at some of those and also your support for that.

Once again, Mr. President, I want to thank you for this opportunity to talk to the Executive Directors, and to say thank you for all that you've done to bring Liberia to this place of progress where it is, and to commit to you that we will continue to carry on; we will continue to do the things that we ought to do, the policies and the practices, and the strategies that will enable us to achieve our Agenda for Transformation and, ultimately, to see the new vision that we have formulated come to pass for the prosperity of our people.

Finally, we look forward to seeing you in Abidjan!