

**Remarks by H.E. President Ellen Johnson Sirleaf
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“Consolidating Democracy and Development in Post-Conflict Liberia”
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(Delivered extemporaneously, and transcribed)**

Most of you know the Liberia story. Some of you have contributed to it, many of you have read about it. So some of the things I'm going to talk about will be repetition, but sometimes repetition is good. I've been saying some of these things in some of my meetings in the last couple of days, and I'll be saying them again.

Liberia started on this bumpy road. It was 2004 when we found peace after the cessation of war, and an interim government was formed. That interim government laid out the process for free and fair elections in 2005, and out of those elections we were chosen by the Liberian people to lead the reconstruction and the recovery efforts.

We inherited dysfunctional institutions, a collapsed economy, destroyed infrastructure, a lack of confidence in ourselves and in our future, and so we started out by saying, What do you do when the needs are so vast? When the priorities are so many, how do you find priorities within priorities to get started?

We put a great team together. Steve [Radelet, USAID Chief Economist and former Senior Fellow at the Center for Global Development] was one of those who came on board once we got started. We thought the first thing we'd do was to say, you've got to deliver something because raised expectations were there, impatience was there, people wanted to be normal again, they wanted to receive basic services again.

Our resources and our capacity to respond were quite limited, so we started with 150-day deliverables, and tried to identify critical things, like turning the lights back on, getting some water flowing in a few pipes, and trying to get kids back to school.

Those 150 days led us to an Interim Poverty Reduction Strategy, and after that, by 2008, a full-fledged Poverty Reduction Strategy. We centered all of those interventions around what we called our four pillars – many of you may be quite familiar with them.

First, peace and security. Obviously, you can't get anywhere unless you have stability, and that's the only way you create the environment to be able to work, to be able to attract support, to be able to rebuild the confidence. That required building a new Army because our armies had not been very

functional. We had to build it from scratch, set particular standards for participation, as part of our full security sector reform.

Today, we have a 2,000-person trained Army, young, all of them quite able, professional, well-equipped; very small, in comparison to the vulnerability of our region, and our nation, but a good start, and we're working on the rest of the sector, our police force and other security apparatus, still under reform, still under training. That Army got support from you; the U.S. Government was entirely in charge of training our new Army, with support, of course, from some of our neighbors, like Nigeria, Ghana and Benin, that offered us training courses. In fact, today the Commanding General of our Army is a Nigerian General, as our own officers have not reached the level of training to be in that position, but we're working on that.

Our second pillar was the economy. What do we do, when things are no longer working for us? We agreed that the only way to address the issue – you can't distribute income if you don't have it – was to focus on producing income. That led us to try to define our productive areas and put them to work again. We opened the economy, attracting direct foreign investment to the tune of some \$16 billion. As you know, Liberia is not resource poor; we're resource rich, and it's just a matter of taking those resources and putting them to good use, through efficiency in allocation, and showing that they meet basic needs.

With that, we've been able to grow the economy. Our GDP reached double digits, 9.5 in 2008; then in 2009, the global financial crisis hit us hard, and so it dropped, but in 2010 we've recovered to 6.4 percent, and I believe today that we're one of the 20 fastest growing economies in the world.

Another part of our economic revitalization was being able to tackle our debt, some \$4.9 billion external debt, not serviced over two decades. We worked under the HIPC Program, with the support of the International Monetary Fund and the World Bank. Under that program, in a period of three years, that debt is virtually gone. That enabled us, then, to have a little more fiscal space.

Of course, we also had fiscal systems that had to be put in order; we had a cash budget; we could not spend, and we spent only that which we were able to raise, by expanding our budget – it was \$80 million when we started; it's about \$370 million for this fiscal year. With all that, we were able to respond to some of the basic needs and implement our public financial management and new procurement laws – all of those things that enable us to use and allocate our resources effectively.

Our third pillar, infrastructure and basic services, involved rebuilding the roads, the schools, the clinics, the water, the lights – all of those things that had become non-functional. We've come a long way in that. Today, we can

go to most places in the country on the roads – a very high-cost item for us because of our weather conditions, and so building roads is not easy for us, unless we can really get paved roads that are to standard, so that they are not affected by the heavy rains. We find ourselves, every year, having to rebuild those roads because they didn't stand up.

We've focused on education, and a big issue for us was the quality of education. Most of our skilled teachers had fled the country. We had volunteer teachers, but many of them, really well-intentioned, did not have the qualifications, and so we still have problems with the quality of education. We've reactivated our Teacher Training Institutes, and three of them are now functioning. We brought back the Peace Corps, and they are focusing on teacher training and are manning those institutions in helping us to do that.

We enforced compulsory primary education. Our enrolment has doubled, and most of the ones that are enrolling are young girls because we've particularly focused on girls.

Governance and the rule of law: a tough one. We were without capacity and so our institutions were not functioning. Again, we tried to put in the right laws and strategies and policies, and we went for an open society where basic freedoms were respected; our media was allowed to be free; we have a civil society that is quite aggressive and is forcing us to be accountable. We're also trying to get the merit system in place in our Civil Service. All of these things have progressed.

Corruption is always and continues to be an issue. We've tried to look at that in a very comprehensive way to say that there's the prevention and there's punishment. In the prevention area, one of the things we did was to strengthen our pillars of integrity, like the General Auditing Commission and the Liberia Anti-Corruption Commission, the Freedom of Information Act, and such things. We made sure we gave better compensation to reduce vulnerabilities; put in systems for computerized operations which did not exist; built capacity so people could understand the new procurement laws and the public financial management laws that were passed.

And then there's punishment, and punishment is where we're still lagging because there is an independent judiciary; you can't fire judges by our Constitution, and so we have cases that stay in the courts. We've lost many cases in the courts, but we continue to work for judiciary reform, and to press that aspect of the fight against corruption. We think that now we've put in the preventive measures, we can now concentrate on the punishment and be able to move on that to help solve that problem.

We still have challenges – challenges of unemployment of thousands and thousands of young people, many of them child soldiers who did not have a skill, who did not get an education. What do we do with them? We're trying

to train them, bring back their dignity, give them a profession, but that takes a while to achieve. We're trying to make them entrepreneurs so they can be self-employed, since we cannot absorb all of them, although we hope that the major investment we've made in our mining sector, our agriculture sector, our forestry sector, will be the ones that will absorb many of these young people, and we've got training programs with each of our concessions.

We still have infrastructure problems. While I talk about the investment we've made, these people cannot operate if we don't have functioning ports, if we don't have roads to enable them to take the exports out. We are still struggling with power, still struggling with roads, and our priorities in infrastructure are just that: roads, power, ports, because they are so vital to being able to put our investment to work and to get the results that we want. There's so much that is lacking in power.

In all of these areas, believe me, USAID has been very supportive. With all of the pillar activities, you have been there with us. You have sometimes been very diverse. I recall many times Pam [Pamela White, former Mission Director for USAID in Liberia] say, well, you come and see a USAID sign, and you don't see anything behind that sign. But that's because some of the things you were doing were the things affect people at the bottom: training people by helping young farmers to be able to take their produce to market – those are not the big things, so many times when people try to compare China's intervention with that of the U.S., I tell them that China goes for the big footprints – big stadium, a hospital and a school, and that stands out. People look at that and say, China is so aggressive, but those are not the sustainable things. What we're building are the blocks that really lead to sustainability in growth and development, and that's where USAID has been and done.

We look to the future, and we feel confident that as far as we've come – we've laid the foundation, we've put all the fundamentals in place – we can now aim at our two major objectives. As we move from the Poverty Reduction Strategy to our long-term perspective agenda, we say that in 10 years we do not want foreign assistance, if we put all of our resources to work. We are determined to move from dependency to self-sufficiency, and we think we can do it because our population is relatively small, and our resources are ample. If we use them effectively and efficiently, we can achieve that objective.

Our Minister of Planning and Economic Affairs [Amara Konneh], who's working on the long term, says that the second objective is to be a middle-income country by the year 2030. I tell him he'll be there maybe to see it, not me. But I hope that, working, we can put it on an irreversible path toward the achievement of that goal.

I must tell you one thing about Steve [Radelet]. You're going to have a lasting place in our nation's development history, and that's because, at the end of

our first fiscal year, we had a surplus. Can you believe that, today, Liberia has a budget with a fiscal surplus of 2.5 percent of GDP? I'm told that you've yet got to reach that. The challenge, of course, is to make it last.

At the end of our first fiscal year, we had about \$1 million in surplus, and normally we'd take that and carry it forward to the next year or use it on something. Steve's suggestion was this, why don't you give it back to the people? When asked what he meant, he said, "Give it to the counties. Call it Special Development Fund for the counties. And so we started the County Development Fund, and I must tell you that it is the most appreciated intervention because that money is put in the budget, in their own names; the procedures for establishing priorities are done by them, and they do manage it. We ran into some bumpy roads on that because the capacity to manage it properly became an issue. But, by and large, it's something that started a very good principle, and that has involved a lot of our grassroots people. They're involved in the budgetary process, they're involved in selecting the things they want that help them most. So, Steve, your suggestion is something that we owe to you, and we want to thank you.

I want to thank all of you who've worked with us over the years, many of you directly, in country or its support systems, here and in other places, and to say to you that because of all of you, because of all of the support from the U.S. Government, who've been a number one partner, standing by us in all those difficult times, that have enabled us to achieve the progress that we have. Today our people have faith in the future, have confidence in themselves, and we are assured that Liberia is on the move, and will achieve its objectives.

Thank you very much.