

**Keynote Address by H.E. Ellen Johnson Sirleaf
President of the Republic of Liberia
On “National Development: The Challenges of Global Economic Crimes”
Delivered at the 8th National Seminar on Economic Crime
Abuja, Federal Republic of Nigeria
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Your Excellency, President Goodluck Ebele Jonathan;
Chief Dr. Farida Waziri, Chairperson, Economic and Financial Crime
Commission;
Right Honorable David Mark, President of the Senate;
Officials of Federal and State Governments;
Members of the Diplomatic Corps;
Representatives of Security, Law Enforcement and Anti-Corruption Agencies;
Judges and Legal Practitioners;
Business Leaders;
Representatives of International, Regional, Multilateral, Non-Governmental
and Civil Society Organizations;
Distinguished Participants and Guests;
Ladies and Gentlemen:

I thank you, President Jonathan, for the kind invitation to share my thoughts on the theme *National Development – The Challenges of Global Economic Crimes* with this esteemed gathering of national leaders and law enforcement and anti-corruption experts.

My sincere thanks, also, to the Economic and Financial Crimes Commission (EFCC), whose creators, former President Obasanjo and key promoters, Dr. Ngozi Okonjo-Iweala and Dr. Nuhu Ribadu, gave the EFCC world renowned status. Liberia has had the opportunity to benefit from the counsel, advice and support from these great leaders as regards issues relating to the interrelationship between development and good governance.

I believe the reason for my selection as today’s keynote speaker is twofold. First, Liberia forms part of the West African coast which is blessed with

natural resources that, over the years, became a magnet for foreign exploitation, much of which ended in economic criminalization, commonly called the “resource curse.”

Second, Liberia represents a classic example of leadership failure in the management of resources: our early period of growth without development under a benevolent dictatorship; our latter years of impoverishment and total destruction under conditions of tyranny.

We all know that no country is immune from the crimes that challenge national development and economic stability. Economic crimes do not respect borders, and countries with weak capacities, regulations and controls are most vulnerable. Such crimes run the gamut from money laundering, counterfeiting, drug trafficking, human trafficking, weapons and goods smuggling, to credit card and Internet fraud. The list goes on and on in this high technological age.

I want to share with you that which I know best: the Liberian experience. As you all know, our nation is endowed with vast natural resources – minerals such as iron ore, gold, diamonds; forest today representing over 40 percent of the biodiversity in our sub-region; agriculture in the form of long-standing natural rubber; marine with over 300 miles of coast. More recently, with drilling started, we hope to add hydrocarbon to the list of resources.

Liberia also has a small population, now 3.8 million, and enough land and rainfall to permit adequate agricultural production for both tree crop exports and for food security.

In the early years of nationhood, our natural resources attracted private capital and investment that earned us one of the highest growth rates in the world. But the resources resulting from this growth were not used to promote balanced and equitable development. Thus, the gap between the rich and the poor, the gap in access to knowledge and basic services widened, setting the basis for political turmoil. That turmoil led to a coup d’état and, subsequently, two decades of conflict that wiped out all the gains of previous years of national existence.

In 2006, Liberia was in shambles – a collapsed economy, debt distressed, dysfunctional institutions, destroyed infrastructure, international sanctions on diamonds and timber, lacking in international credibility and

creditworthiness and in national self-confidence. Liberia was classified by the world as a “failed State.”

Decades of deprivation, indiscipline and bad governance had taken their toll on the morals and value system of our people, leading to widespread corrupt practices at every level in our society.

We knew that corruption constitutes a major impediment to national development. It erodes faith in government because of mismanagement and misapplication of public resources. It weakens accountability, transparency and justice. Corruption shortchanges and undermines key decision- and policy-making processes. It stifles private investments which create jobs and assure support from donors. We knew that our long-term goal of sustainable economic growth and the alleviation of poverty could not be achieved in an environment where corruption is rampant. Fighting corruption and other economic crimes is thus crucial to sustainable development, poverty alleviation and nation building. Thus, in my 2006 Inaugural Address, I declared Corruption Public Enemy Number One.

It did not take me long to realize the enormity of the problem. Corruption, in the Liberian context, has become “systemic” and “societal.” That means it was pervasive, at high levels, internal and external – whether we were dealing with the sale of government properties, passports, or honorary consuls; whether we were dealing with high-level officials, in the form of bribery and kickbacks, and non-compliance with our procurement laws; or whether we were dealing, at the lower levels, with collusion among people charged with responsibility of financial management.

Sadly, we were also confronted with the fact that corruption goes beyond government, to the private sector, to private contractors, non-governmental organizations, to the UN system, to diplomatic missions, to the media and even to the churches.

What were we to do? How could we tackle this malaise in an effective and permanent way? We tried to identify the root causes – now applicable or non-existent laws, poor compensation, institutional inadequacy, low capacity, lack of or deficient systems, judicial rot. In effect, both sides of the corruption coin – PREVENTION and PUNISHMENT – were lacking in reform for over two decades.

First, we enacted new or revised existing laws such as the Public Procurement Law and the Public Financial Management Law, and we formulated strategies to facilitate implementation of the laws. We made our budget and fiscal system transparent and participatory, putting them on line and subjecting them to public debate.

Second, to reduce vulnerability, we increased compensation to civil servants, moving it up to the current level, which represents an increase of over 300 percent and now in line with our sister West African States. We acted similarly in the cases of judges, teachers, health workers and Army personnel. I am pleased to report that results are beginning to show us we just passed a US\$516 million budget, up from the US\$80 million we inherited in 2006.

We then tackled the building of institutions. These included a Governance Commission, which is working to rationalize government institutions; a Public Procurement and Concessions Commission to ensure compliance with our procurement laws and concessions obligations; the General Auditing Commission, with its Act amended to make it independent of the Executive Branch by reporting to the National Legislature. This was followed by the establishment of Liberia Anti-Corruption Commission (LACC), whose amended Act, now before the Legislature, will have full prosecutorial powers independent of our Ministry of Justice. More recently came the establishment of a government-wide independent Internal Auditing System for which recruitment and training is underway. We joined the Extractive Industries Transparency Initiative (EITI), adding the unrequired timber sector under a monitoring system which involves participation of both Government and non-governmental organizations. In 2009, Liberia became the first African country to become EITI compliant. We also became a participant in the Kimberly Process to ensure that our diamonds are our own and are properly valued, recorded and used for the good of the people.

In the midst of these reforms, the lack of capacity became quite evident. We responded by instituting, with World Bank support, a rigorous financial management graduate training program under the Ministry of Finance. This was complemented by on-the-job and offshore training under bilateral scholarship programs. The need for a quick jumpstart in program formulation and implementation and professional monitoring led to the establishment of an Open Society Initiative-supported repatriation program, shadowed by a 100-person cadre of senior executives from both at home and abroad and a

program of local university graduates called the President's Young Professionals Program.

You need only to imagine the result of years of financial management by discretion, in the absence of systems to ensure compliance with the laws. We thus moved to install systems, systems of automation and computerization to reduce public and private discretion. Recently, we inaugurated an Integrated Financial Management Information System intended to enhance budget management, and an Import Management System (ASCUDA) to ensure compliance with our customs laws and regulations.

As a result of this progress, Liberia moved 41 places, from 138 in 2008 to 97 in 2009, on the Global Corruption Index and, more recently, moved 10 places, from 97 to 87, on the Transparency International Index. We know that more needs to be done, but the progress made is sometimes unrecognized because, on the Bribery Perception Index, Liberia remains at an unacceptable high level.

Today all political appointees in the Executive Branch of Government are required to declare their assets and, for the first time in the history of our country, we have introduced direct deposit of public servants' salaries into our banking system to stem the practice of check fraud. This has not deterred officials from betraying the public trust. My deep disappointment has been that several officials, some close to me, whose skills and experience were and are still needed, had to be relieved of their positions and may still face penalties when the ongoing review of the many GAC audit reports has been concluded.

We have gone beyond systems, structures and institutions in the fight against corruption. The passage of a Freedom of Information Act requires public officials to make available, to all who request them, any and all public documents or records so as to ensure complete transparency. We were rewarded by a media award because Liberia is the first country in West Africa to pass such an Act.

We have also submitted a Whistleblower Act to the Legislature and issued an Executive Order in the interim to protect people of conscience who want to report corruption, thereby adding another deterrent to those who would engage in unethical behaviors.

Distinguished Participants:

We are proud of the structural reforms we have instituted to address corruption, but must now move to the next phase, namely, punishment. Here the challenge is enormous and has to do with a judiciary that has been dysfunctional for so long that it will take tremendous reforms to make it work.

Like your EFCC, our LACC was established with a mandate to undertake programs geared towards investigating, prosecuting and preventing acts of corruption. The Commission investigates any acts, information and reports of corruption brought to its attention. What it lacked, until now, were prosecutorial powers to complement the judicial system and our Ministry of Justice. Under the current Act, anti-corruption cases must be referenced to the Ministry of Justice and requires a three-month wait period after submission.

To correct this anomaly, two weeks ago, I submitted to our Legislature a bill to amend the Act which established the Anti-Corruption Commission. We believe that a vigorous fight against corruption requires that the Commission be strengthened with direct but non-exclusive powers to prosecute cases involving corruption and related offenses. The proposed amendments would enable the Commission to act independently in deciding which cases should be moved forward to the courts and the most opportune time to do so. The granting of direct prosecutorial powers to the Commission would, among other things, strengthen its autonomy, insulate it from reliance on external entities of government, and help dispel notions that decisions on whether or not to prosecute a case are politically motivated. If this important legislation is enacted into law, it will go a long way in helping the national effort to combat corruption in government and society in general.

Nevertheless, as stated before, the PUNISHMENT side of our corruption system leaves much to be desired. Our courts, judges, lawyers, and our jury system are all part of our judicial and punishment system. The system must work if we are to win the fight against corruption.

In the ongoing program of reform, we recognize the need to change our jury system to rid it of the professional jurors who compromise justice by sale of their service to the highest bidder, thus causing the government to lose cases with solid evidence. We have thus submitted to the National Legislature an Act that will change our jury system to align it more to that of our sister

African countries, thus departing from the system of a more developed country such as the United States from which our existing law was adopted.

In the ongoing program of reform, we have also improved the compensation and working conditions of our judicial institutions, initiated a public defense system, established a judicial institute and, just two weeks ago, graduated the first class of magistrates to replace the old order. Reform has been slow as a result of the long years of poor training and poor pay, but surely reform is beginning to bite.

Liberia has not escaped other types of economic crimes. Several Liberians, as refugees or transients in other countries, perhaps due to the means of survival, have been accused or incarcerated for engaging in what is called "black money," a counterfeit crime. Liberia is also particularly vulnerable to drug and human trafficking, the level of which has dropped considerable due to the tightening of surveillance and collaboration with similar institutions in partnership countries.

A Global Responsibility

Needless to say, accountability and transparency are not the preserve of government alone, and neither can the solution to corruption be left solely to government. The media, religious institutions, civil society and private citizens must all play a leading role to stem this drain pipe of the much needed development resources in all of our countries. Similarly, there has to be global responsibility in the fight against corruption. The maintenance of safe havens in Europe and the Americas, where stolen resources are stashed, needs to be addressed by our international partners. Bribery continues to be a menace because international corporations and private sector entities exploit the weakness of the public officials.

Perhaps the most critical element in fighting corruption is to instill in our citizens the values which we, as a people, have lost, as a result of decades of deprivation and upheaval and their attendant consequences. We must teach people to learn to live with what they have, to earn what they want. If we are to defeat the evils of corruption, we must instill in our people some of the basic tenets of integrity and of a value system that appreciates honesty, hard

work, and humility. Our task in Liberia is to continue on this path, making sure that young Liberians are told in school that only education and hard work will enable them to reach their potential in their goals in life.

I would like to close with an excerpt of an article in the September 5, 2011, issue of Time Magazine: “Liberia, a country that for much of its recent history has been engaged in bloody wars, was once the last place on earth you’d expect to find a showcase of sustainable logging. As recently as 2003, before the country’s timber industry was slapped with UN sanctions, revenues from the sale of lumber were being used to fund a brutal uprising in Sierra Leone next door. Timber companies maintained private militias, accused by human rights groups of rape and torture. Logging vessels arrived at port laden with weapons. And yet today the country is on the path of becoming a model for sustainable timber.”

This example of the timber industry is indicative of what is happening in the changed environment of a new Liberia. Thank you, former World Bank Managing Director, Okonjo-Iweala. Thank you, World Bank Vice President. Thank you, former President Olusegun Obasanjo. Thank you, late President Omaru Musa Yar’Adua. And most of all, thank you, President Goodluck Ebele Jonathan and the Nigerian people for all that you have done to bring us to this point of progress.