

Address

On the Establishment of a

Bilateral Relationship

Between

The Government of Israel and the Government of Liberia

In the Diamond Industry

By

Her Excellency Madam Ellen Johnson Sirleaf

President, Republic of Liberia

His Excellency, the President of the State of Israel , Shimon Peres
His Excellency, the Prime Minister, Ehud Olmert
His Excellency, the Minister of Foreign Affairs, Mrs. Tlipi Liuni
The Opposition Leader, Benjamin Netanyahu
Chairman and Members of the Israeli Diamond Institute (IDI)
Other Officials of the Government here present
Cabinet Ministers and Other Members of my Delegation

Ladies and Gentlemen

Mr. Chairman of the IDI, Please permit me to extend my profound thanks and appreciation to you for inviting me and my delegation to have lunch with you and to have the opportunity of meeting other members of the Institute.

Mr. Chairman, allow me to recall the historical friendship which have existed between the States of Liberia and Israel since 1948. The deciding vote which made Israel a State was made by Liberia. For this Mr. Director, we are proud. We remember the many treaties and instruments which have been signed between the two states further testifying our deep friendship. We remember well the exchange of visits by two of Liberia 's Presidents, William v. S. Tubman and Samuel K. Doe to the State of Israel and the visit of an Israeli Prime Minister and two Foreign Ministers of the State of Israel to Liberia

I consider my visit here today as a continuation of Liberia 's relationship with the state of Israel .

One of the purposes of my presence here is to seek and explore possibilities of revitalizing the bilateral cooperation between our two countries, especially, in the areas of agriculture, youth development, the extractive industry including diamond, gold, fossil fuel and all other forms of investments and opportunities.

My sincere thanks and appreciation is extended to the State and People of Israel for their moral and technical support during our process of becoming Kimberley compliant. I want to request that you continue to stand by us and to support us as we strengthen the pillars which are essential to keeping us Kimberley compliant.

Liberia is richly endowed with natural resources including not only diamonds, but gold, iron ore, bauxite heavy mineral sands, timber, rubber and potential off-shore oil reserve as well. This high mineral wealth has played a major role in fueling conflict and has generally been seen as a "Resource Curse". Revenues from this sector were diverted and used to finance internal conflicts

and incite unrest across our borders. Revenues from rough diamonds in particular have not contributed to development goals as we would have desired; basically, because of the lack of good governance and a general lack of organizational structures at the grassroots level. As a result, the country lags far behind in basic human development.

Mr. Chairman, the overall mismanagement of our mineral revenues at the macro-level and the exploitative distribution arrangements at the local level have retarded the development process of the country. Furthermore, it has not contributed to the alleviation of the abject poverty that continues to prevail in the mining communities and the country as a whole. The absence of a participatory local government, due to the highly centralized nature of the state has visibly prevented local communities from benefiting from the revenues generated from mining. To ban such an inappropriate utilization of resource, the UN Security Council (UNSC) imposed sanctions on the export of Liberian rough diamond [Res. 1343 – 2001].

However, since the signing of the consolidated Accra Peace Accord, in August 2003, much achievement has been realized and that process continues to be vibrant. Ex-Combatants have been disarmed and the entire country is today safe and accessible. Since our National Elections of 2005, progress continues to be significant. Growth has revealed the level of impact on poverty, sanctions on diamonds have been lifted and a program of sound macro-economic policies and debt relief is underway with support from bilateral and multilateral organizations. In addition, infrastructure is being rehabilitated and we have restored cordial relationships with all of our Neighbors, setting the stage for regional cooperation and integration.

Diamond Sanctions were lifted on the 27th of April, 2007, when Liberia attained the minimum requirements for acceptance into the Kimberley Process Certification Scheme. Recognizing this formidable challenge, we have in collaboration with our international partners undertaken several pilot initiatives to integrate and compliment the KPCS so as to assist Liberia build the partnership needed to create conditions for the sustainable use of our mineral resources so as to overcome poverty and promote human development.

The overall objective of the pilot initiatives is to facilitate the establishment of a transparent and accountable system for the governance of the diamond (and other minerals) revenues based on a fair and equitable distribution system. Interventions will be implemented on three levels: The macro/policy level; the grassroots/micro-level; and the cross-border level.

At the local level, the aim is to induce more diamond revenues to flow back into and/or to be retained in the community. This will be achieved by supporting individuals and miners association/ unions, for the reorganization and recapitalization of the mining sector, while at the same time developing local capacities at institutional (local governments) and social levels (civil society organizations and the private sector) for the management of investment funds. The local authority with the full participation of civil society will determine the development needs of the community and use the funds accordingly.

At the macro or policy level, it is important to put in place more effective and transparent legal tools for governing the mining sector and the use of its revenues. These mining legal and technical tools for the sustainable governance of the revenues from mineral resources will be local pilot tests. This will include the establishment of escrow accounts for future generations, independent oversight organs and mechanisms, public information institutions and transparency and accountability mechanisms, adopted to the current outgoing international initiatives including the Extractive Industries Initiative and the Publish What You Pay Initiative, thus reinforcing the long-term effectiveness of the Kimberley Process.

With this administration's intention of introducing sustainable and lasting changes in the sub-sector, a bottom-up approach has been adopted, with the interventions on the ground providing the basis for revising the policy framework.

This includes the revision of the legal mining framework, ideally in harmony with the three neighboring countries (Cote d'Ivoire, Guinea, and Sierra Leone) focusing specifically on (i) licensing process and regulations (ii) land use in relation to mining, (iii) decent labor in artisanal mining, (iv) environmental issues related to mining and (v) mining export taxation.

In parallel, the current attribution of responsibilities between central and local authorities should be revised and harmonized, providing the local authorities with the necessary powers for governing the local aspects on mining activities.

Liberia was officially accepted as a participant in the Kimberley Process Certificate Scheme on 4th May 2007 after the United Nations Security Council on April 27th 2007 lifted its sanctions on the export of Liberian rough diamonds. The country was then subsequently admitted as a member of the working

Group of Alluvial and Artisanal mining during the KPCS Intercessional Conference in Brussels , Belgium , June 12-14, 2007.

In late June 2007, a consignment of KP Certificates arrived in Monrovia and the self-imposed moratorium on alluvial mining activities was lifted on July 26, 2007. Liberia 's Independence Day. The first parcel of diamonds valued at US\$200,000.00 (two hundred thousand United States Dollars) bearing the first Liberian KP Certificate was exported to Israel in early September 2007 after all KP requirements were fulfilled and the requisite taxes paid into government revenue.

The Government is now in the process of clearing all stocks of diamonds acquired during the period when the present KPCS required international controls were not in existence.

Another purpose for being here is to show to you and to the world diamond industries that Liberia is the latest diamond producer that has become a respectable KP participant deserving a good hard look as a stable and promising investment opportunity. In this respect, already several diamond companies have expressed interest in this sector and they have begun to investigate establishing business relatives. I want you to note that the first parcel of diamonds valued over US\$200,000.00 (two hundred thousand United States Dollars) was recently exported to this country as was indicated earlier. This indicates to us your deep interest.

Let me say here that we are excited and look forward to initiating our economic bilateral cooperation with your diamond industry. We look forward to your assistance in helping us set up a stable diamond infrastructure in Liberia in the areas of capacity building and institutional strengthening, material technical assistance, a diamond house or center, a mineral bank, financial assistance and transfer of technology and knowledge/ experience in the areas of diamond polishing and cutting.

Let me once again express how pleased I am to be here. Thank you for your assistance in making Liberia Kimberley compliant.

Finally, let me say that Liberia is ready to do business with you in the diamond industry.

I thank you