

**Remarks by H.E. President Ellen Johnson Sirleaf
“Progress and Challenges: A Liberian Experience”
At the United States Institute of Peace
Friday, June 24, 2011**

Thank you, Chet, for that introduction.

Executive Vice President, Tara Sonenshine;

Other Members of the Board, Chet Crocker, Kerry Kennedy;

Secretary Carson;

Distinguished Guests;

Participants;

Friends, as so many of you are good friends, whom we have known for years.

I want to thank you, Dr. Raymond Gilpin, Richard Solomon, Ambassador Crocker and the staff of the United States Institute of Peace (USIP) for affording me this opportunity to talk to you about Liberia, its progress, its challenges.

I’ve come to Washington to meet the new leadership of Congress – Republicans and Democrats – reinforce bipartisan support that our country has enjoyed over the years, and we’ve spent a lot of time, these last two days, on the Hill, trying to be strong advocates of our country and the continuation of support in what we know are difficult times.

We are mindful of the competing priorities in the world and the challenges in your own homeland, with high unemployment and a sluggish economy. In this environment, and on behalf of the Liberian people, it is incumbent upon us to inform you, to inform the U.S. congressional leaders of how well scarce resources have been put to work in our country. Liberia has risen from the ashes of war and destruction to become an emergent democratic nation

with the potential to lift itself out of a dire situation in what is really a volatile sub-region.

In 2003, many of you in this room may recall, the U.S. supported a \$200 million contribution to Liberia's transition, providing for the stabilization force of the United Nations Mission in Liberia (UNMIL). This came right after the war.

Again, it was your Congress that appropriated the funds to support Liberia's democratic elections in 2005 – an election that made history in electing me President of Liberia, becoming the first woman in Liberia and in Africa to hold that position. Over the past years, as the Senate and the House changed hands, we've been fortunate that support to Liberia has been sustained. And we know that so many of you in this room have contributed to ensuring that this support has remained in place.

Given such strong support, my message, in meetings with the Congress was, first and foremost, to say a big thank you to them, and through them to you, the American people, for playing a leadership role in encouraging us to be able to take the stand that we have, and in encouraging other partnership countries to join us in supporting the agenda that has led us to this place of progress.

In advocating for a strong partnership between our two nations, I also made the case for continued U.S. assistance to sub-Saharan Africa. Africa has, indeed, come a long way from those days of depressed economies, autocratic rule. Today, 17 countries are considered emerging nations, as they've put in place strong economic policies on how to sustain long years of economic reform, political reform that have enabled them to reach this level. Liberia is not yet an emerging country, but we're considered a Threshold one, meaning that we're on the way to becoming one in a few years.

Liberia's Challenges and Its Progress

Liberia is eight years into what we see as a two-decade process of recovery and development. In the past eight years, we have cleared some significant hurdles, but the challenges that lie ahead are perhaps the most important ones to tackle. They include building the institutions of government, of civil society, and building a private economy that will provide for future generations.

When I came into office five years ago, we faced a country that was completely destroyed and in need of complete reconstruction of both the state and the society. Post-war reconstruction in Liberia is all-encompassing for it involves the economy, security, basic services, governance, national status, and national healing.

Economically, our problems started decades earlier. Our gross domestic product (GDP) was in steady decline since 1979, went into free fall when war broke out in 1989. By 1995, it had fallen by 90 percent, one of the fastest drop in history.

By the elections in 2005, average income was a quarter of what it had been in 1987, and one-sixth of the 1979 level. Years of mismanagement, excessive borrowing, spending, and payment defaults left a colossal external debt, amounting to about 800 percent of GDP.

While these statistics are themselves disturbing, they pale when compared to the more profound challenges including the loss of lives, livelihoods and human dignity.

During the years of violence, more than 250,000 Liberians were killed, and over 500,000 were forced to flee their country and their homes either as

refugees or internally displaced. Families were shattered; communities uprooted; governance systems destroyed; commercial and productive activities collapsed; infrastructure devastated. Our human infrastructure was in ruins. Just to give you a small example, we went from 800 practicing doctors in 1989 to just 50 by the year 2003. Our best and brightest across all professions had left the country.

For our government, the scope and scale of the challenges facing Liberia could easily have been paralyzing, but we tried not to do that. We executed a 150-day plan, quickly followed by an Interim Poverty Reduction Strategy. These measures gave us a breathing space that we needed to take on fundamental reforms.

In 2008, when we wrote our Poverty Reduction Strategy, we regrouped our task into four pillars: peace and security, economic revitalization, infrastructure and basic services, governance and the rule of law. It is through the hard work of the Liberian people that I can now stand before you today and say that our progress, and the lessons learned along the way, have got us to where we are today.

Our immediate challenge was peace and security. As in the case with countries emerging from decades of civil war, we risked a return to violence – rebel armies, armed groups, former military soldiers needed to be vested in the democracy dividend. On the other side of the equation, we had no functioning army or police, and thousands of combatants were yet to be demobilized, disarmed and reintegrated.

The presence of the United Nations Mission in Liberia (UNMIL), in the immediate post-war period, was essential and necessary to Liberia's recovery, as it provided us a guarantee of safety for our people. One of the

first lessons from the Liberian experience is that outside intervention, including military intervention, can be critical to a plan of national stabilization.

As UNMIL is reducing its presence in Liberia, we have made significant strides in providing for our own security, including developing a new professional and properly trained army of 2,000 persons. We know we have more to do, but we feel that we've taken the necessary first step.

We know we need to further train and expand our military, and develop a police capacity to deal with low-level crime and disorder that disrupts people's quality of life and their sense of security. In the long term, the police and judicial reforms are keys not only to stability, but to the successor plans of our Poverty Reduction Strategy.

Our next challenge was in revitalizing the economy, and I'm proud that we've been very successful on that front. Liberia had an external debt of some \$4.9 billion, a national budget of \$80 million, and a per-capita GDP of \$160. Today, we have raised the national budget to close to \$370 million, attracted over \$16 billion in direct foreign investment, and retired the bulk of that \$4.9 billion debt. Our income per-capita has risen by approximately one-third, and despite the 2009 global financial crisis, we have been able to have a GDP that has averaged 6.5 percent; we've brought our inflation down from 20 percent into single digits. We are proud that today, Liberia is classified one of the 20 fastest growing economies in the world, and by the World Bank rating, in 2010, as one the 10 Best Business Reformers.

The attraction of private capital and return of confidence to the private marketplace is, to us, the truest sign of recovery of a nation. Among the multinational companies that have already committed to invest billions of dollars in Liberia include, from your country, include Delta Airlines, which has resumed flights, increasing it now from one to three flights a week; Chevron,

which has recently opened offices in Liberia and will be starting offshore drilling by the end of this year; ArcelorMittal, not an American firm but one of the oldest ones, which has started to reopen the mines; and, of course, Firestone, the one that has been with us for some 80 years, is involved in replanting and has completely changed the workplace on the plantations, so today one can see that no longer will Firestone be taken to court by the AFL-CIO for the mistreatment of workers.

The achievement we are probably the most proud of is our debt relief; we've been able to do this by relentlessly pursuing sound public financial management under a three-year program assisted by the International Monetary Fund and the World Bank.

Of course, all these will remain empty facts and statistics if, collectively, they do not create the jobs for the Liberian people. Unemployment, thus, is one of our biggest challenges, and a priority of our government. Employment for the thousands and thousands of young people, many of whom were child soldiers, who did not have the opportunity to go to school or to get a skill. What we need to do is to find a way to make them into productive participants in the economy, and that's not an easy task when you're dealing with 15- to 20-year-olds who have not had an opportunity to be able to become professionals or to be able to make a contribution to their country's rebuilding.

We know that relying on our natural wealth and foreign investment alone will not create jobs; we need to go one step beyond, beyond our own traditional experience and the experience of many of our African countries, we need more value-added, more labor-intensive industries, more small businesses, more vocational training, and a sustained and renewed effort to raise educational standards for all of our citizens.

Our third challenge, governance and rule of law. The war destroyed all the institutions and infrastructure that protected these principles. Thus, we had to rehabilitate and promote freedom of speech – an essential right – protected by a free and independent media as well as an open and just court system.

Decades of deprivation and bad governance eroded the norms and value system in our country, and created a culture of corruption and rent-seeking behavior. Battling corruption is, at its core, a battle of ideas, a battle of values, a battle of attitudes. We have been trying to take an approach that's both systemic and preventive, and we have made progress.

We sought to strengthen the principle of transparency, so that Liberia became the first country in West Africa to pass its Freedom of Information Act, as well as the first country to become fully compliant with the Extractive Industries Transparency Initiative.

We sought to strengthen the principle of fairness and professionalism by increasing compensation to reduce the incentive for corruption and graft.

We sought to strengthen the principles of accountability by restructuring and strengthening our General Auditing Commission and establishing the Liberia Anti-Corruption Commission.

As a result of our actions, we moved up 41 places on Transparency International's Global Corruption Index and, more recently, up another 10 points, moving from 97 to 87. Equally significant for our strong, young government, we qualified as a Threshold Country of the Millennium Challenge Account, and have made our first export under AGOA.

Despite these advances, much more needs to be done, and we are very mindful of that. The punishment aspect of fighting corruption remains a missing link, and while the challenge is enormous, we will devote our energy in the coming months to tackling this malaise. We are in the process of reforming the judiciary, reviewing our jury system, and looking at the prosecuting powers of our institutes of integrity.

The fourth pillar of our recovery is building infrastructure and restoring basic services of government. Liberia emerged from the years of war with almost non-existing infrastructure, and we set out on a long and grueling process of rebuilding key infrastructure virtually from scratch.

I am proud to report that we've started to rebuild roads, bridges, schools, clinics; we've restored lights and water – all missing in the capital city for decades. It was so pleasing to us, when we turned on the first street lights, that children danced and they could study under the street lights backing the lights in their homes; that those who, for the first time, not knowing that water came out of anything but a bucket, could see running water coming out of the taps. Those are the things that we take for granted, things that are missing, and when restored, can make a remarkable change in the life of a child.

We will be moving in that direction, as we try to restore most of those services, and the rehabilitation of our hydro plant remains, for us, one of the most challenging and most required attention, as it represents the major constraints to enhancement of our security efforts and to enable us to move from the export of primary products to adding value, thus making us an agro-industrial state.

Finally, we had to address a community still traumatized. Our national spirit, our national identity, our communal trust had been undermined. At the

beginning, our partners assisted us in undertaking the huge process of disarming, demobilizing and reintegrating thousands of our young people whom our training and education had bypassed.

Reconstruction and recovery alone can only go so far; we need to grow our economy to create a new and fairer distribution of wealth, with equal and sufficient access to opportunity by all. Only then we can address the realities of poverty, exacerbated by 14 years of war.

Our process of national healing and reconciliation is neither perfect nor complete, but we are convinced that we've made the necessary first step in this long journey. Our young people are ready and are embracing the return to school, return to training, return to productive endeavor, and return to peace.

Our progress depends on a system which assures the peaceful transfer of power through the exercise of choice – the institutionalization of democracy. That is why this year, our national election year, is critical to our recovery. It puts to test all the work we have done to create a strong society, an open society, a democratic society. The national contest will test our democratic principles, our multiparty system, and our independent judiciary. Without these, there's no sustainable progress in a post-conflict country.

I stand before you as the leader of a country no longer looking for handouts, but rather a nation in search of true partnership with the United States and the rest of the world. As I stated earlier, and emphatically, we came to Washington to make the case for sustained foreign assistance to Liberia. We are not seeking an open-ended commitment, but rather support in the next few years of this transition.

If that happens, I am confident, and have made the commitment, that

Liberia will sustain its own development. We shall not ask for foreign assistance in 10 years. I go further to say that as we develop our long-term perspective in our development agenda, that Liberia is determined to join the ranks of middle-income countries by the year 2030. I won't be around to see it, but I'm confident that with what we would have put in place, all that it takes to make sure that there's no reversal, and make sure that we will achieve that objective.

At a time when you in the United States are debating the future of your foreign assistance program, I hope we have made a case for Liberia, and a case for Liberia's future. I want to assure you that the aid that has been given to Liberia today has been put to effective use. We could not have achieved the progress we have, on the basis of the resources with which we started, and it was the supplementary ones that you gave, both technical, moral and financial, that has enabled us to achieve what we have.

Dear friends, Liberia is moving to the next phase of development – from stabilization to sustained economic growth. This means responsibly and transparently harnessing our abundant natural resources, while at the same time cultivating new niches in manufacturing and services. This means investing in our most important asset – the Liberian people. It also means building upon the gains we've made in rebuilding our infrastructure, and in further reforming governance and the promotion and respect for fundamental and human rights under the rule of law.

In Liberia, as elsewhere in Africa, our gains are fragile. Our institutions must be rebuilt, reformed and sustained through the shifting winds of politics and the dynamics of change. The situation which recently pertained in our neighboring State, Côte d'Ivoire, serves as a reminder of how easily it is for a country to slip back into violence, and how quickly the hard-earned progress can be turned back. For Liberia's part, we continue to cope with 150,000

refugees from Côte d'Ivoire, as well as mercenaries who continue to move through the porous borders. We continue to work with our neighboring States, with which we enjoy the best of relations as we collectively try to ensure that peace and stability maintains in our sub-region.

Our successes are not merely our own, but the product of hard work by the Liberian people and our friends abroad, such as you in this room. It is our strong belief that Liberia will hit its benchmarks for development and national rebirth, and that the lessons learned from our experience can be applied to our world in transition. Liberia is in business. Liberia is on the move.

Thank you.