



The African Development Bank Group

Statement by Dr. Donald Kaberuka
President of the African Development Bank Group
At the Opening Plenary of the Liberia Partners' Forum

13 February 2007
Washington, D.C.

Your Excellency President Ellen Johnson-Sirleaf;
Secretary of State Condoleezza Rice;
Mr. Wolfowitz, President of the World Bank;
Mr. de Rato, Managing Director of the IMF;
Mr. Louis Michel, European Commissioner for Development;
Mr. Alan Doss, Special Representative of the Secretary General
of the United Nations;
Honorable Ministers;
Distinguished Delegates;
Ladies, and Gentlemen;

1. The African Development Bank is honored to co-host this event. Liberia is dear to us and to the whole of Africa. It is a symbol of Africa determined to see the end of mayhem and a bright future for its people. Since January 2006, when the new Government took over, Liberia has entered a new era of hope in a country in which close to half a million people perished and the economy destroyed. We are here, with the AU, ECOWAS, and other African Institutions as a signal of solidarity. Africa has suffered far too long from deadly conflicts which

gradually are receding – but the peace dividends are at risk of reversal.

2. Today, Liberia is staggering under a US\$ 3.7 billion debt and three quarters of its people living in absolute poverty. The new Administration has made significant progress in managing the economic recovery – and we commend them.
3. But Liberia's needs go far beyond its means for now and the foreseeable future. Their financial requirements for the next three years are almost six times the revenues they can generate. This is a challenge to the International Community. The World has the means to give Liberians a chance. We are here at this Forum to salute the Government and the people of Liberia for achievements to date and to galvanize the will. I agree with President Wolfowitz that this window of opportunity should be seized in a coordinated and concentrated effort.

4. All men and women of goodwill want Liberians to succeed in the stabilization of the country in an irreversible way. Liberia's stability is critical for the entire West African subcontinent. The entire continent of Africa is expecting. Fifteen years ago, another African country was in ruins: Mozambique. It was the combined effort of its people and the strong support of the International Community that has produced one of Africa's successful cases of reconciliation and reconstruction. I should say the same for another small African country, my own and several others. Indeed in 1994/95 the International Community embarked on a process such as this one which has produced another success - it can be done - for Liberians.

5. When I visited Monrovia last year, I was impressed by a determined leadership, a resolve and a vision - in spite of the lack of even the basics in institutional capacity and resources. In 1984, Liberia fell into arrears with the Bank - consequently our support to the country ceased - that

is 22 years ago. With a view to resume normal operations in Liberia we have reactivated our interactions with the Authorities. Liberia needs the resources, but it also needs capacity. Four months ago, our Board approved the Country Dialogue Paper paving the way for us to help Liberia strengthen its capacity which is a major handicap for the country. We provided a US\$ 4.5 million pre-arrears clearance grant to strengthen institutions responsible for economic management, governance and poverty reduction, such as the Ministry of Finance, Bureau of Budget, Ministry of Planning, and the Judiciary.

6. At this time, with other partners, DFID, EU and IDA, we are working towards contributing to the rehabilitation of Monrovia's water and sewerage systems. I expect this US\$ 11 million project to kick off in April and we would hope to fast track its implementation. But it is evident that our ability to make progress on the issue of arrears clearance is essential to facilitate our full-scale re-

involvement. Those are the operational principles today which guide our interactions with countries emerging out of conflict. In anticipation of possible progress, we are in the process of preparing a US\$ 10 million grant for infrastructure development, focusing on roads and employment creation.

7. We have put forward a proposal which we will submit to our Board to assist the country clear its arrears. We are proposing an exceptionally flexible and favorable terms in the burden sharing formula under the Post Conflict Country Facility. We will still need to get the consensus among key shareholders and I hope we can do so.

I want to thank the USA Government and the Republic of South Africa who have already made their contribution and look forward to others joining hands. We are working closely with sister IFIs to see if we can all arrive at solutions which help to clear Liberia's arrears but also which provide some additionality.

I appeal to Liberia's partners to help us and other IFIs

normalize the country's relationship with us, thereby permitting full fledged operations.

8. I, like many of you here, am truly hopeful that this Forum raises awareness of Liberia's special circumstances and its enormous needs. The AfDB is committed to provide support with flexibility within our current possibilities and operational frameworks. At this time we are exploring new avenues for engaging with fragile states – to chart a way forward regaining the best way to provide support and deal with some of the spillover effects in the neighboring countries. We are aware of the limitations of our instruments, our resources and the need to tailor the processes to the challenges of countries emerging out of conflict.

9. Before mayhem descended on Liberia, it was on its way to become a reasonably strong and emerging economy in the Middle Income Countries category. It is not a poor country in natural resource terms. Liberians are not

requesting charity for ever. They are requesting for a chance to get back on their feet and handle their own destiny. Let us seize this chance and we can. I want to assure you of the AfDB full commitment to help Liberia rebuild and provide hope for its people who have suffered for so long and who are now demonstrating their potential and an example of political transition and good governance. Let this Forum be the beginning of this process.

10. Last year at the AfDB Annual Meetings in Ouagadougou we were honored by the presence of H.E. Sirleaf. I recall what you said Mme President: " Liberia is back ". Let us all depart this Forum with the conviction that the International Community is back shoulder to shoulder with Liberia. And let us spell out the road map.
11. Thank you.