

Liberia Partner's Forum, Washington DC

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Welcome to the World Bank for the Liberia Partners Forum. I'm Paul Wolfowitz, the President of the World Bank Group. It's a real honor to be able to host this important conference.

Madam Ellen Johnson Sirleaf, distinguished President of Republic of Liberia; Condoleezza Rice, Secretary of State of the United States; Mr. Alan Doss, Special Representative of the U.N. Secretary General for Liberia; Mr. Louis Michel, Commissioner of the European Commission; Mr. Donald Kaberuka, President of the African Development Bank; my friend and colleague, Rodrigo de Rato, the Managing Director of the IMF; distinguished guests, ladies and gentlemen, I am very pleased that you could join us here today for a very important meeting.

One year ago, the people of Liberia took a decisive step to move past their tragic history. After suffering through two decades of devastating civil war, they went to the polls to cast their votes. And they voted for change. They placed their hopes in the hands of President Ellen Johnson Sirleaf, an economic reformer and a grandmother, to deliver on the promise of a better future. I saw that hope during a visit to a school for nurses in Monrovia last summer. The classroom was filled with students, some of them in their 30s because they'd missed so much school; but they were back at school, determined to make up for lost time, to get an education and to start a new chapter in their lives.

Those who remember the horror of Liberia's past may find it hard to believe that Liberia has become a place of hope. But it has. After Samuel Doe's brutal military coup in 1980, Liberia spiraled into conflict and chaos. Fear, criminal activities and killing tore the country apart and inflicted terrible suffering. When Doe was executed at the end of the decade, another ruthless dictator took over. Under Charles Taylor's violent regime, Liberia remained mired in one of the bloodiest conflicts in West Africa, undermining the stability of an entire region. Two hundred and fifty thousand people, a quarter of a million people, lost their lives in Liberia's civil war, a staggering toll for a country of just three million. Half a million people fled their homes, and three hundred thousand became refugees in neighboring countries. A thriving country was left in economic ruin with staggering debt. That is the Liberia that President Johnson Sirleaf inherited when she took office just a little over a year ago.

But I can tell you from what I saw, this is not the Liberia of today, and it must not be the Liberia of tomorrow. Thanks to diplomacy, strong leadership and intervention by the international community, the dark period of Liberia's history was brought to an end. Nigeria played a pivotal role in the diplomacy and the peacekeeping effort, leading the first Africa peacekeeping mission, with initial assistance from United States Marines. And within two months of the war's end, a U.N.-lead multinational force with contributors from over some fifty countries took over and remains there today.

Not surprisingly, there was much skepticism about Liberia's prospects. But when the Liberian people were given a choice in a free election, they demonstrated to all of us their resolve to reclaim control of their future. They chose a candidate who promised to fight corruption and promote economic reform, and she is now the first woman President of any African nation.

But President Johnson Sirleaf faces enormous challenges. Today, the average Liberian struggles to survive on an annual income of about \$120; that's about 30 cents a day. We define extreme poverty as \$1 a day. That's 30 cents, 30% of extreme poverty. By some estimates, a staggering 80% of Liberians are unemployed, and nearly half of Liberia's children are still out of school. Electricity and clean water, basic services that many of us take for granted, remain beyond the reach of many citizens.

But let me be clear. Just as the challenges are formidable, the opportunities are also great. Just one year into her term, President Johnson Sirleaf has shown the bold leadership that she promised, and she is supported by a dedicated team. Like the President herself, many of her team have sacrificed comfortable lives abroad to help rebuild their shattered country. One such person, I'm proud to say, is the Minister of Finance, Antoinette Sayeh, an alumna of the World Bank. That team has drafted the first real budget in a quarter-century, and Liberians from across the entire political spectrum took part in the process to ensure that it reflects the voices of all citizens. Relying on the Governance and Economic Management Assistance Program, the new Government of Liberia is promoting fiscal discipline and ensuring public finances are used for their intended purposes.

Within two weeks of taking office, President Johnson Sirleaf abolished all forestry concessions. A new forestry law was passed to curb illegal logging and to help Liberia responsibly manage its vast natural wealth. These actions have led to the lifting of U.N. timber sanctions, paving the way for Liberia to convert its natural wealth into economic gain. The Government is courageously battling corruption, putting in place sound financial management procedures for public enterprises. Domestic revenues during the second half of 2006 nearly doubled compared with the same period the previous year. And real GDP growth in 2006 is estimated to exceed 7%.

But much more remains to be done, and the clock is ticking. After 20 years of destruction, the people of Liberia are impatient. They want running water, reliable electricity, decent schools and jobs. To bring those within the reach of every citizen, Liberia must foster a healthy business environment that allows the private sector to thrive once again. It must attract badly needed investments to fuel growth and to create jobs. That means repairing roads, bridges, schools and other infrastructure shattered during the war. It means investing in education to build a strong workforce that can play an active role in economic life. It means rebuilding the Government institutions that were in ruins after years of conflict. And it means enforcing the rule of law to restore confidence in the nation's economy.

That is why we have come here today. We have a window of opportunity to bring hope to a country that has seen too much war and suffering. The international community can be proud of the role it's played in bringing the war in Liberia to an end and providing immediate relief in the aftermath. Under the leadership of Alan Doss, the U.N. Special Representative for Liberia, much has been accomplished, and immediate relief and reconstruction effort has been exceptional.

But we need to do more, much more, if we are to move beyond short-term gains and deliver lasting results. In a paper to be discussed later today, the Government points out, the Government of Liberia points out, that we need to do a much better job providing them with access to information on donor operations. All of us must improve our reporting, coordination and funding efforts if we are to better serve our Liberian partners. Increased financing will only bring results if we work together to develop faster, more flexible and transparent methods to disburse funds. And there is also an urgent need for the international community to reach an agreement that will help Liberia clear its arrears to the African Development Bank, the IMF and the World Bank.

This past weekend at the meeting of the G7 Finance Ministers in Essen, Germany, I urged them to commit the needed resources to clear Liberia's arrears to the three sister institutions. While the World Bank has the option to use internal resources to cover our share, unless donors agree to replenish the funds in the next IDA round, today's solution will compromise tomorrow's lending to our poorest IDA partners. But the \$3.7 billion debt accumulated during the years of armed conflict is an unacceptable burden for a country of only three million people. If Liberians fail to see improvements in their lives, the forces of violence could engulf their country once again; Liberia could slide back into chaos that threatens not only its own people, but its neighbors; and an historic opportunity would have been lost.

The donor community needs to re-examine the way it conducts its work in light of Liberia's urgent needs. What the country wants and deserves are plans that deliver results not in six years, but in six months. At

the World Bank Group, we made an extraordinary effort to extend support to Liberia during this crucial time of transition. We are streamlining our own procedures, moving with unusual speed and committing an unprecedented level of resources. That's not been easy. For example, our normal procurement practices are not well-suited for a country where the contracting environment has been so severely disrupted; but we are accepting no excuses. We're pressing ahead and finding ways to get things done.

Since the Peace Accord in 2003, we have committed \$85 million in grants to help rebuild roads, ports and airports, as well as to restore water and electricity. We have contributed \$4 million to a joint initiative with the U.N. peacekeeping battalions to build rural roads. The road works, which are well underway, are engaging thousands of people, Liberians, in the reconstruction effort as they connect people to markets. We have launched 76 already of the planned 100 projects under a Community Empowerment Program that is building clinics, markets, schools, small bridges, as well as water and sanitation facilities, all of them chosen by the affected people themselves. And soon, the streets of Monrovia will be rumbling with the sounds of public works financed by our Urban Repair Program. In the next 18 months, we plan to commit another \$60 million for infrastructure, governance reforms and community-development programs.

Ladies and gentlemen, the people of Liberia have made a courageous choice to leave behind a turbulent past to pursue a future of hope and opportunity. Our support, the support of the international donors, at this crucial juncture is absolutely vital for Liberia to transition from a fragile peace to sustained recovery and development, and the stakes are high. A strong and stable Liberia will not only benefit Liberians, but it will support progress in the entire region, which has suffered too much already. If we fail to seize this opportunity, it's not just Liberians whose hopes will be shattered, but also the citizens of other African countries who look to the international community to keep its promises.

About a decade ago, as South Africa was stepping out of its own dark past, Nelson Mandela knew that it was just the beginning of a still long, difficult journey. "I have discovered the secret," he wrote, "that after climbing a great hill, one only finds that there are many more hills to climb. I have taken a moment to rest, to steal a view of the glorious vista that surrounds me, to look back on the distance I have come; but I can only rest," that great South African leader said, "I can only rest for a moment, for with freedom comes responsibilities, and I dare not linger, for my long walk is not ended."

For the people of Liberia, their long walk is just beginning. There is no denying that they face many risks on the road to recovery. They must steer through a fragile political terrain and fulfill the expectations of two generations who have known nothing but war and suffering. There is no guarantee of success; but the risk of inaction is far greater, for the country, for the West African region, for all of us. Courageous Liberians have risen to the challenge. It is time for us to do the same.

It is now my great pleasure to introduce to you one of those courageous Liberians, the first woman President of an African country, President Ellen Johnson Sirleaf.