



*Presents*

## **Liberia's Progress, Potential, and Challenges for the Future**

**The President of the Republic of Liberia  
Ellen Johnson Sirleaf**

[Transcript prepared from a tape recording]

This event was held in Washington, DC  
on Monday, March 20, 2006, at 2:30 p.m.

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**Steve Radelet:** I am privileged and honored to introduce to you the President of the Republic of Liberia, Ellen Johnson Sirleaf. Madam President, we are deeply, deeply honored to have you with us today. Welcome to all of you, to the Center for Global Development. My name is Steve Radelet and I'm really glad to see such a great turnout today. I'd like to give special greetings to the Minister of Finance, Antoinette Sayeh, and to the Chairman of the Investment Planning Committee, Richard Tolbert, who will be joining us on the podium in a few minutes. Also, to Liberian Ambassador Charles Minor, who's here with us today, and former U.S. Ambassador John Blaney, who's here in the second row, who was Ambassador two years ago when the troop movement came in and tossed out Mr. Taylor and paved the way for what has happened this year.

Ladies and gentlemen, as we all know, this is an enormously important moment for Liberia. The next few months and years will determine whether or not Liberia can get back on its feet for sustained economic growth and recovery. Madam President, all of us here are willing to do whatever we can to help to support you in that effort. I have been privileged to be out in Liberia three times in the last three months. And I've seen two big things when I'm there.

First, is the absolute wanton destruction that two and a half decade of civil war can bring. There are bullet holes in the buildings, there's no electricity, the water can't be drunk, there's rampant disease, HIV/AIDS is spreading, there's tuberculosis, malaria, yellow fever. Most people are unemployed. Hundreds of thousands of people were killed and many others were displaced. Not much works. The infrastructure has broken down, roads have holes in it. I see huge challenges. There are troops every place to remind us that the peace is not quite solidified. Fortunately, many of the soldiers are sitting in the shade without their guns ready, so it's not like we still have violence on the streets but there are troops everywhere. So I see huge challenges in the beginning of a long road to recovery.

But the second thing that I see is hope. And you see it everywhere. You see it with the storefronts that are now open. You see it with fresh coats of paint that are being put on buildings. You see it with the trucks that are lined up outside the buildings supply, putting cement and stones in their truck. There's hope in cement, fresh cement. You see it in families coming out of their homes early Sunday morning, out of their ramshackle homes. Absolutely dressed impeccably, proud with their families as they go to church. We see it at night on the corners, even though there's no electricity, the people feel safe to go out on the corners and be with their friends, do a little bit of shopping, even at night. We see lots of smiles and laughter. And that's what hope looks like.

It's the hope of the people of Liberia in their process, their democratic process. It's the hope in their future. It's their hope in the new government and it's the hope in their incredible new President. And that's the juxtaposition in Liberia, of these great challenges but also great hope. We know that post conflict countries can get back on their feet. We've seen it in Mozambique, we've seen it in Uganda, we've seen it in Rwanda. And we can see it happen in Liberia. It is not going to be easy, but there has been some progress already in the first several months. Helped by what, in my opinion, is the best technical team of senior people in the Cabinet that I've seen anywhere in Africa in 20 years. It's really a great team. And they're already off to a great start.

The President is known in many ways. She's known as the Iron Lady and I've seen this in a couple of ways. She wants things done, she tells you and you get it done. I was first called in late November by her friend Steve Cashin, asked if I could go out and help. I said, well, I might be able to come out in January or February. Word comes back: she says how about next week? So I was there next week. During a meeting with an advisor on the Cash Management Committee, she wanted some changes in a form, the reporting form on the Cash Management Committee. How much was being spent, how much was in the accounts. And she asked when the changes could be done on the form. And the poor young man said, I think I can get it by next week. She said, how about tomorrow? He said, I don't think that's possible. And she said, and I'll never forget, she said, I'm not asking for miracles, I'm only asking for the impossible. Please do it by tomorrow. It was done. It was done by tomorrow.

But she's also known as Ma Ellen. She's got a kind word for everyone. She waits to see whoever's at her door. People come in flocks to see her. Just before the inauguration, her family was mobbing her. There were grandchildren running all around, she was trying to handle all these important affairs, grandchildren on her knee while she's talking with her potential ministers and trying to get ready for the inauguration. She opens her home and her breakfast table to strangers, like me. There's no arrogance or haughtiness. There's just an incredible resolve and great determination to get things done. So, I'm pleased to introduce to you, the Iron Lady, Ma Ellen, the first woman elected president anywhere in Africa, the President of the Republic of Liberia, Ellen Johnson Sirleaf.

**President Sirleaf:** Thank you, Steve, and thanks to all of you who have assembled here. I look around the room and there's so many known faces, so many friendly faces, so many of those who have been in this long struggle with us and for us and I just want to say to all of you on behalf of the Liberian people, that we're grateful. Thank you very much for all the support over all these years. It's wonderful to see such a large crowd, supporters, friends, well-wishers, people from the U.S. Government, people from the Hill, foreign missions, international institutions, the donor community, the private sector. All friends, new friends. As I said, we're just grateful to you for all the support that you've given not only to our country in the many months, but to me and my administration in these first few weeks of our leadership.

I want to give special thanks to Ed Scott, the co-founder and chairman of the board of the Center for Global Development, to Fred Bergsten, another co-founder of CGD, the president of the Institute of International Economics where we are all now gathered, and warm greetings to Nancy Birdsall, the co-founder and president of CGD. You may also know the many times we pursued her and the institution to get them involved in Liberia's development and work but we finally made it.

As you all know, Liberia has gone through a nightmare of violence, destruction, mismanagement for the past 25 years. But the people of Liberia did have a resolve and at some point said enough, we need to climb back, we need to reclaim our country, we need to cease back our future. We know our journey will not be easy, but we are determined. We are determined as a people to seize these new beginnings and to make it work. The cost of our conflict run wide and deep. Mismanagement, corruption, bad governance, massive lootings of assets, some quarter of a million of our people have been killed, most, a lot of them injured. Many have had

to flee from their homes either internally in displaced camps or to refugee camps abroad. Clinics and schools have been destroyed. Children only wanted to go to school, not forced and conscripted into violence. Now they want to begin but the schools are not there. The schoolbooks and the educational material are missing. Their families want medical care but the hospitals have also been destroyed and there are no drugs available. HIV/AIDS rears its ugly head, with our country now being one of the worst affected in the sub region, 12 percent. Our infrastructure also ruined, roads destroyed, sometimes impassable. As Steve pointed out, the evidence of violence and gunfire made manifest by the many windows and buildings that are riddled with bullet holes. Electricity is still a luxury only for those who can afford it through private generators. And for all of these, of course, no jobs for the 80 to 85 percent unemployment, that provides the income whereby people could address some of these personal needs.

We have an external debt situation, many of you know in this room, you followed it. Money given over many years to previous governments, some irresponsible, some predatory, that have resulted in the \$3 billion plus external debt with a debt ratio, you won't believe it, 2,700. When you talk sustainability and servicing, that's way beyond even the realm of comprehension in servicing that debt. But the challenges are enormous, we're the first to admit it. But as I say, our people are resolved and undeterred. We have this window of opportunity and we'd like to use it well. We are committed as a result of free and fair elections in which I was chosen to lead, to start to rebuild. To start anew. To use this window of opportunity and we say that our going forward rests on four pillars.

First the peace, peace and security. We can't do anything without that. And in that regard, we are in the process of restructuring our security forces. I don't think there are many other cases in the world where a country has totally demobilized and disbanded an entire army. But thanks to you, Ambassador, and the MOU that was signed during your term in which the process of recruitment and training for a new army has started and we hope that they will be institutionalized, professionalized and a similar action being taken with the police force and the other auxiliary services. We also know that peace will not come unless we have reconciliation. And Liberians and once again unite and live together with a certain amount of tolerance, accepting our differences but building upon our tradition and our culture and our common values. And we've started in that respect with a government which is largely inclusive of bringing together without prejudicing our set standards of competence and the integrity and protection of human rights. We know that for peace and security we've got to do even more.

We've got to make sure that our justice system truly has the capacity and the commitment to dispense justice, to go beyond just the court system where penalties are enforced, but to make sure that our institutions that protect people's basic fundamental human rights. And that together with security forces people can be assured of their safety, and that they can be protected not only by the forces but by the courts and our judicial system. We also know that we have to put into place all the tenets of good governance. A government that's based upon transparency, accountability, making sure that we respond to the needs of our people, ensuring that they participate and they have a say in the decision that affects their lives. That's also moving away from the centralized decision making to building local governments where

autonomy and authority can pass from the center to the periphery, giving people an opportunity for participation and choice.

We've started in some ways to fight corruption, something that has been a big problem in our society. In that respect we've required all our government officials to declare their assets and to publicize it. We've also drafted a code of conduct which will be legislated and the penalties for the violations of the public trust will be clearly stated therein. Of course, more importantly, we're going to have to set the example. Set the example at the top, and set the example by all of those who have responsibility to manage the affairs of state and to protect the public trust. In this respect, the governance, management, economic plans so agreed to by our partners and ourselves is ongoing and we have started to take the necessary action in that regard, accelerating the processes of recruiting of the experts that are going to supplement our own capacity and provide us with the additionality we need and effective resource management. We've taken some other brave measures to ensure that we meet the international standards of effective management of resources.

Many of you may have heard that we cancelled some 80 plus forestry concession agreements, agreements longstanding. That came out of what we thought was a very professional review that determined non-compliance on the part of those concessionaires, but we also know in taking those decision, certain risks are inherent in that we may face some litigation. But we have done that as a means of demonstrating that we are serious about good governance and we're serious about correcting some of the malpractices of the past. We have moved to strengthen our judiciary system, totally recomposed the Supreme Court with new people that have the requisite competence and integrity and giving them the authority to exercise full independence as they move to go to the rest of the court system and put in people that are competent.

In the civil service, we have a big problem, inheriting a bloated civil service that involved just the stacking up of people with government as the only employer in the midst of circumstances where the private sector was very small or non-existent. Being able to reduce the scale and size of government operations thereby making room and space for the private sector involved some very hard decisions. But we're in the process of doing just that, to enable us to have a government that is efficient and effective. And then we need to tackle our infrastructure, roads, water, electricity, telecommunication. Not only in the capitol city where our capitol's been dark for so long, but throughout the countryside, farm to market roads, to improve the mobility of people and mobility of goods and services. Those are ongoing. And our social infrastructure, our schools and hospitals, the process of rebuilding all started.

We hope we'll regain our international creditworthiness. We've started work with the IMF and we hope that in April at their meeting we'll get a \*\*\*\*\* monitoring program in place, that that will lead us to being able to tackle the huge debt that I mentioned through the debt relief mechanisms that exist and that will go into the HIPC program before the door closes at the end of this year. We also, having recently met the requirements of the general system of preferences, hope that that puts us on track to be able to benefit or to be eligible for AGOA and subsequently to take advantage of the Millennium Challenge Account.

One of our big challenges is to create jobs. As I mentioned, an 85 percent unemployment rate. We're going to try and do that through some of the infrastructure program I mentioned. That will not be enough and so we know that what we have to do is to create a private – to create a vibrant private sector – to create the conditions that will enable us to attract those jobs. So net-net. It's not going to be any quick fix. And we're quite aware of that. The challenges are huge. For everything you can think of that needs to be fixed, that need to be fixed, in all areas – education, health, infrastructure, government, machinery, judiciary system – we also want to embark upon a major structural reform program in which we change the way we've done things. We look at our Constitution and see does it give people sufficient liberties and protection? Do we have systems that ensure people that they do have a stake in society, that never again will our country be subjected to the monopolization of power and privilege? Do we have a Constitution that gets the best for us in terms of recognizing citizenship and land ownership? When we look at those things, we want to look at our land tenure system and does it enhance production and productivity? The communal land system which we have, the fact that we gave all our tracts of land to concession without any rights of participation on the part of the communities that own that land, and the problems we're now facing because of that. How do we change that? So the issues are tremendous. But we also think the potential is tremendous.

Our country is well endowed. Mineral resources of all kind, some already on the exploitation, some remains to be explored. Our forestry resources, our agriculture potential, we have water and rain, sometimes even too much of it. Our sunshine is ample and welcoming. So we have all of those that we can boast of. And if we are a bit lucky, we try to keep quiet on this, being in the Gulf of Guinea, there may even be oil. And so what we need to do we think is to take this potential and create that environment for the partnerships that are necessary. A partnership first between the government and its own people, assuring that they can rely on their government for efficiency and effectiveness in government delivery service, assuring them that their rights can be protected and their lives are safe. That in a compact in a partnership between the government and the donor community so they, too, are able to go out there as they are, that they can work knowing what the policies are and the practices are, knowing exactly the conditions under which they operate, making sure their priorities are consistent with our own in the development agenda to which we all have contributed. A partnership between the government and the private sector. Tax laws that are reliable and predictable. The repatriation of profits assured a free system, a monetary system that enables us to carry out our economic expansion program while at the same time enables them to get what they need, the capital and to expand their capital to be able to support the investment ideas. Those are the partnerships we are trying to create and we hope that that will help us to use this great potential and turn it into sustainable growth and sustainable development.

Our overarching theme is growth. But unlike the periods of the past when we had growth without development, this time it's growth for development. And so we just want to thank all of you who participated in helping us along this path to the point where we do have peace. Where we can have an opportunity, we do have the chance to start anew, to rebuild, to renew our nation, to respond to the needs of our people. We'll continue to work with you and we want you to know that Liberian people are appreciative of all that you've done and will continue to work with us as partners towards achieving these goals. We say to the Congress on Wednesday and we'll say here again: we will succeed because we have no other option but to succeed. And we know

that with your support and working with us in partnership that indeed Liberia can become a true success story in Africa. Thank you.

**Steve Radelet:** Well, thank you very much for those comments. We're joined up front here with two of the mainstays of her new Cabinet. As I mentioned, I think it's one of the technically strongest groups of Cabinet officials that I have ever seen in Africa and here are two main reasons for it. The Minister of Finance, Dr. Antoinette Sayeh, has been with the World Bank for 17 years. She was country director in Niger, in Benin, in Togo. Very highly regarded in the World Bank. She's a graduate of Swarthmore and a Tufts PhD. A very strong economist and off to a great start as the Minister of Finance. And Richard Tolbert is the new Chairman of the Investment Promotion Committee. He spent many years with UBS Bank based in New York City. He's highly regarded as one of the leading investment bankers in all of Africa, brings tremendous private sector experience and so we also welcome Richard to join us today. That's really a hallmark of the Cabinet. There are people with government experience, with international financial institution experience, with private sector experience, all of them it seems to me chosen for their competence and not for other kinds of reasons. But what we thought we'd do is just have a few questions, a little bit of discussion here and then we'd open up to you for some questions and answers from the microphones that are there in the aisles. You're off to a great start. You've listed many things that you've done in your first, just two months in office. But of all the things that you've done so far, what do you consider to be the most important action that you've taken at this beginning of your tenure?

**President Sirleaf:** I think, Steve, the cancellation of this forestry concessions sent a very strong message as to our ability to –

**Steve Radelet:** Sorry, let me just –

**President Sirleaf:** Yeah, as I said –

**Steve Radelet:** You don't have to talk into it, you'll be fine now.

**President Sirleaf:** Our ability, just demonstrate our ability and readiness to take the \*\*\*\* positions in the interests of the country, that's probably –

**Steve Radelet:** So a year from now, um, for the average Liberian, what will they see that will be different a year from now compared to what they see today?

**President Sirleaf:** I think you'll see people riding along the primary roads. We won't get to all of them, but the major ones I hope you'll see that people can move from county to county with roads that are passable. I think you'll see electricity certainly in the capitol city, should have electricity and maybe a few of the other urban areas might have in a limited way some electricity. I wish you'd see – I think you'll see a civil service that's performing at a level of efficiency and with corruption largely under control, if not totally eliminated. And I think you'll see Liberia well on the way to benefiting from the debt relief that will enable us to open the taps for bilateral and multilateral sources of development financing.

**Steve Radelet:** Good. You mentioned, and I'll turn to your colleagues here, you mentioned the importance of economic growth as the basis for development. So I wanted to ask Minister Sayeh and Richard Tolbert what they saw as the most important steps to reviving the economy and getting the private sector going again. Minister Sayeh?

**Minister Sayeh:** Thank you. Let me start by saying clearly as the President indicated, one of the first and most important steps is to get the confidence between the government and the people restored, and including the private sector in that regard. Clearly, confidence is not a characteristic that has been in recent times associated with recent government. So getting people to believe in government again and to government in delivering basic services including infrastructural services, is something that is absolutely essential for growth. But beyond that, reestablishing basic credibility with our international partners is clearly critical to accessing new sources of financing for the development agenda. In that context, we've, as the President also noted, made some progress in coming to agreement with the International Monetary Fund on a program that will help us continue to improve our financial management capacity and to get to the point where we're raising more of our resources to invest in infrastructure and to help attract foreign investment. But clearly, restoration of confidence and credibility – restoration of credibility – are the two most important things from my perspective as the Finance Minister, working on those aspects very quickly is what we've set out to do.

**Richard Tolbert:** Yeah, Steve, if I can elaborate on what Minister Sayeh just said. For me, as a returnee Liberian after 25 years out of the country, the first thing that struck me is the spirit of the Liberian people is not broken. It is very strong and very positive despite 25 years of real devastation. The people are ready to work, they're ready to throw their all in all. Once they believe that they have a government that is credible. So, first and foremost I think is the restoration as Minister Sayeh said, of confidence. And that comes through the leadership that they've seen in the country. That also applies to the business community. They want to put their money where they believe there's transparency. So I think that there is now a feeling that the country is once again being led by a team that is transparent. In my particular area, foreign investors coming to see me, they are welcomed, everything is done openly as opposed to behind closed doors as it used to be or in hotel rooms. We believe that the transparency issue is a very important one. Thirdly, political stability. I honestly believe Liberia has turned a major corner as far as political stability is concerned. Many of us would not have given up our lives abroad for 25 years to return home if we did not believe ourselves that we've turned that major corner as far as political stability is concerned. Foreign investors are concerned about political stability, there may be some blips along the way, there may be some hiccups. But I believe as far as major political upheavals are concerned, Liberia has turned the corner. So transparency, confidence and political stability are the three factors I look at first and foremost.

**Steve Radelet:** Mr. Tolbert mentioned accountability and transparency. Between elections, which are the ultimate test of accountability, what sort of mechanisms are you putting in place for the people of Liberia to hold you accountable for the steps you're taking and the actions that you're taking. How do you put accountability and transparency into action?

**President Sirleaf:** Well, I think the government is going to make very public what its development agenda is, the elements of that agenda, continuing monitoring and reporting on the

achievement of goals under that agenda will be readily available to the public. I've mentioned what we require in terms of the declaration of assets and have mentioned what the code of conduct will carry, what everybody will be required to subscribe to that. There will be an open opportunity for meeting at all levels including in the rural areas where I and the concerned ministers will be able to interact with the public at large to listen to some of their concerns, to respond to some of their issues. I've launched a monthly Conversation with the President, where we go on the open radio and, you know, same some things on topical issues and then listen to some of their comments and their criticisms and we'll continue that. Keeping the press vibrant is an important part of the agenda so that the checks and balances are there. And of course, we still have to respond to the other branch of government, that has to keep us accountable, and that's the legislative branch, in all the programs and our budgets and so all of those measures are ongoing and will be taken.

**Steve Radelet:** It seems to me that one of the major problems that you all face is capacity within your own offices. And, you've got a great team at the top, and a pretty good team at the next level and it gets a little thinner as we go along, I think. You mentioned the importance of civil service reform. So my question is, specifically, how do you do that? What's – how do you move forward on that? This is a problem that faces so many low income countries with over bloated but not very talented civil service. And we know the capacity constraints. What's, what are your plans to begin to improve that. And then I'll ask the others about what their specific plans are, how they can recruit the kinds of talent that they need to get the job done.

**President Sirleaf:** Steve, I'm tempted to share with you, in my radical urgings –

**Steve Radelet:** Good, good, yes.

**President Sirleaf:** You know, I started a process of saying I was just going to go from ministry to ministry and fire everybody.

**Steve Radelet:** Well, Minister Sayeh noticed that you started that process at the Ministry of Finance.

**President Sirleaf:** I felt that the way to clean it out was to just start from zero, you know. I also said, when the people said, but if you do that, you know, what you going to do with them. I said we'll create a ministry of do nothing. Guess I felt we'd have more efficiency with them being out of the way, but, you know, rational minds prevailed so we didn't go that far. The Minister reminded me that she had to have somebody to work with, so. So what we've done of course is to see how, on a ministry by ministry basis, ask each one responsible to look into the ministry and try to do restructuring, to put some screening process into place whereby we could remove the redundancies and the duplications but retain good people, and there are lots of good people who can carry on the task. But I've left it to them.

**Steve Radelet:** So, now that she's left it to you, and fired everyone in the Ministry of Finance –

**Minister Sayeh:** Not yet, I'm afraid, I mean we're starting the process. The Ministry of Finance, of course, was naturally the first place to start given its reputation as a bastion of corruption in Liberia, as the center of it all in a way. So it made a lot of sense to want to start there. Clearly we are over staffed, extremely over staffed in Finance. We have some 2,000 people and we need I think half of those to do our work. We have huge amounts of people in the customs service, in particular, it's known – it's notorious for corruption. So we're starting with the customs service and we're looking at that and how we can take out people who've reached retirement age and there are many of them who are still there, and get those off the payroll. And clearly for the more medium term restructuring that we need to do, we need to make sure that people are given the opportunity to leave the public service with something to start a life in the private sector. Especially in the context of 85 percent unemployment.

It's important that we facilitate that exit from the public sector in a way that helps people start new businesses. And for that we need resources from our partners to help with it. But there are things we can do in the short term to get rid of the ghosts on the payroll and we had a recent census that was conducted and that showed quite a bit of that, that we can deal with without recourse, without needing to make financing available to those people. So that we are starting to do and we clearly will do that in conjunction with the retirement issues to get the Ministry of Finance functioning again. But ultimately we're looking at radical options for the Ministry of Finance as well. The largest portion of our staff are in the customs service and customs is now our largest source of revenue. We want to retain customs as that, but I think we might be able to do better in the short term by contracting out some of those services. So we're looking at more radical options going with that.

**Steve Radelet:** Mm hm.

**Richard Tolbert:** Steve, I –

**Steve Radelet:** Yes.

**Richard Tolbert:** I would say the Liberian workforce as a whole is actually quite eager to work. What I met in my agency is a workforce that had not been paid on time, first of all. Many of them had not been paid for the last 3, 4, 5 months. Yet they showed up for work and came to work. So the first thing that I had to do was get the morale up by trying to get their pay up to date with the help of the Minister of Finance. So that's key. Secondly, I think we do have qualified people in Liberia and certainly in the Diaspora. My No. 2 is a man who has a Master's degree and several people in my agency with Bachelor's degrees. He's been working there for 25 years on less than \$100.00 a month. So the second thing we need to do is raise the level of their pay, quite naturally. But we do have qualified people. We have people who are motivated. They need to be paid on time and they need to be shown that they're a part of something that's going to be productive. They're willing to work. The Liberian people are willing to work.

So I think if we can get those things done, we'll have a productive workforce. Of course, we have in the Diaspora hundreds of thousands of Liberians who are highly skilled and qualified also. Who can and should be brought home. Whether in the private sector or in the government sector. Probably primarily in the private sector. We have lawyers, doctors, bankers, engineers,

you name it, in the Diaspora. So the opportunities are there for them to come home. And I think what they have to be shown is what some of us have seen, that Liberia is still sweet. I'm telling you. It really is. It really is. For the Liberians who are here, come home, pay us a visit, it's not what it's made out to be. Steve, you ran a little litany of the negatives that you've seen in Liberia. I flip that over and I look at it as the positives. Everything that you ranked as a negative presents an opportunity as you well know. The tremendous opportunities there for Liberians, for non-Liberians to come and rebuild the country. So that's the key. And it's doable and I honestly believe it's not as bad as what people make out safety wise, political wise. If I can do it, most Liberians can do it.

**Steve Radelet:** Great. Thank you. One of the things that you've all mentioned is the importance of security. You've got 15,000 U.N. troops there now. Obviously they can't stay forever. That's not necessary and not a great idea. Obviously, though, they can't leave tomorrow either. How do you see the security situation playing out over the next couple of years and what's the plan for the U.N. presence?

**President Sirleaf:** Clearly we will continue to need the U.N. peacekeeping force until our own security sector has been totally restructured and trained. And so we've asked the U.N. to, you know, to have the peacekeeping force remain. We think it's going to be about three or four years. We've made that request and we've gotten some very positive response that will enable us to get the new 2,000 person army properly trained, enable us to get the police force and the auxiliary services professionalized. The U.S. has a major role in this regard as you know.

**Steve Radelet:** Mm hm.

**President Sirleaf:** They've taken the major responsibility for the security sector restructuring including the training of the new army. And so we want to make sure that the U.S. continues to support, and along with the peacekeeping force, I mean, that's our solution until we have the capacity to manage the security of the state on our own. That will take three to four years.

**Steve Radelet:** Back on the investment scene. You've talked about growth and the importance of growth, centrality of growth, the investment opportunities. Be a little bit more specific. Where's the economic expansion going to come from? What sectors have potential in the short run, over the next few months, when there probably won't be a lot of private investment that takes off yet, and then in the long run. Where do you actually see the economy expanding and that economic growth coming?

**Richard Tolbert:** For myself, government needs to focus like a laser on the basics.

**Steve Radelet:** Mm hm.

**Richard Tolbert:** Light, water, schools, roads, hospitals, security. I presume that's what the government is going to focus on. The rest is really up to the private sector. There's everything to be done. Rebuilding, construction, housing. The Minister of Finance and myself are staying in a hotel right now in our own country, after years of being out of the country. We don't have homes to go to. We're sharing adjacent rooms in a small hotel. Obviously homes, houses need to be

built for the people. Construction, residential, commercial, it's all there. I had a visit recently from an African businessman from a neighboring country who wants to come in and build homes. We had a visit just this morning from an African-American billionaire who expressed an interest in coming to Liberia. On just one phone call. The other sector that I would like to emphasize is agriculture. That is where the bulk of the population used to live and probably will still live.

We have a country that is probably only 5 or 10 percent of the arable land that is currently being used. Unlike many countries in Africa where the arable land has been used up, we have a very fertile soil, rich and fertile soil. Almost everything grows, coffee, cocoa, citrus, pineapples, you name it. We need creative people to come and take a look at that and see what it is they can do to develop it. There are things galore that you can do. I get up in the morning and drink the orange juice and I look at the can and it's imported from Turkey. Why am I drinking orange juice in Liberia imported from Turkey when we have oranges growing rotten every day on the side of the road? Pineapples for export, you name it. So the agricultural sector is an area that I would emphasize both in terms of cash crops for export, for income generation, as well as employment generation. And then of course there's everything to be done as far as light manufacturing. Small scale manufacturing. People just need to come and use their creativity, take a look at the country and apply their creative resources to what they can do.

**Minister Sayeh:** I would just add that in the very short run, of course, as you know we still have sanctions imposed on some of our main exports that have traditionally been a source of good growth in Liberia, timber in particular. We expect that those sanctions will be lifted because we're taking the actions needed to lift them and in the next year or so we expect to see some expansion in timber exports, or resumption of timber exports. And on the rubber, rubber has been a very important source of growth in the past and there has been a severe under investment in the rubber sector over the last several years that needs to also be addressed and rubber can contribute to growth in the short to medium term as well. But down the road we want to do a lot more, as Richard was saying, to encourage non-traditional sources of growth including light consumer goods and other sources of exports, frankly, that we may be able to support. Liberia being an Anglophone country also has some capabilities or possibilities in the way of things that Ghana is doing, for example, to encourage or to outsource telecommunications or services. So there are lots of things that we're looking at.

**Steve Radelet:** In source as the case may be on your side.

**Minister Sayeh:** Yeah, exactly, exactly. So in the very short term we need to focus on removing the barriers to the exports that have encouraged growth in the past.

**Steve Radelet:** Great. I have one more question and then we'll go to, we have a little bit of time for some questions from the audience. If you've got a question there are two mikes, one in the front and one in the back and you can line up and we'll have just a few minutes for questions. My question for each of you is on the donors. And the different between donors that can be helpful and donors that are sometimes not so helpful. And you've been, at least two of you have been on both sides of the table. You were with the World Bank earlier in your career and then with the U.N. for several years, you were on the other side as Minister of Finance

earlier on and now as Head of State. Minister Sayeh was with the World Bank for many years and now finds herself all of a sudden on the other side of the table where things look quite different. Mr. Tolbert didn't work for the donor agencies, but you've been an observer for a long time and beginning to work with them. So I'm curious, as you think about the donors, what are the kinds of things that make donors less effective than they could be? What kinds of things make them more effective than normal? How can the donor community behave or change the way that they act to be most helpful to you?

**President Sirleaf:** I think first and foremost the government needs to have its own development agenda. The government needs to own that agenda and the government needs to determine what its priorities are and then work with the donors so donors make their own programs of assistance consistent with what the government priorities are. If there have been unsatisfactory donor support, it's come where the government itself has not taken charge in the determination of what it wants. And has allowed donors to determine their own priorities, which may be totally, totally uncoordinated, totally inconsistent with what the true needs are as determined by the country and the people themselves, the beneficiaries themselves. And so I think we need to get our own house in order. Once we've done that, then we will seek the donors and for donors that would like to have priorities that are inconsistent with our own priorities, of what we know is best for our country, we have to learn to say no.

**Steve Radelet:** Well said. Minister Sayeh.

**Minister Sayeh:** I think the President has said it all. I think the donors have been used in the recent past to working with dysfunction government, one that didn't work and didn't set its own priorities, that was interested in other things than governing and governing well. I think that has changed clearly, and the government has priorities and wants to make sure that donors support those. So that's certainly what we want to do. I think donors for the most part have channeled resources to Liberia outside of our budget because our budget has not been a credible instrument to use for general resources. And through NGOs and others. And so no donor resources are flowing through our budget currently. That's clearly something we want to change. We want to get to the place where donors have confidence in our budget as a way to get resources to where it belongs, and that the support, the improvements in budget management, budget remanagement, that are needed for that.

**Steve Radelet:** Let me ask you specifically on that. Having been on the other side at the World Bank, what would you be looking for from the World Bank's perspective before you had the confidence to put the money through the budget?

**Minister Sayeh:** Well, one of the main things, the important things, is a good procurement processes that are credible and respected and all of that. We just put into place a new procurement law and a new institution to manage the procurement process. That is a big improvement over the recent past. And just financial management systems that are credible in tracking resources and reporting on budgetary resources and being accountable and being audited and all of that. So we're putting those things in place to help.

**Steve Radelet:** Good. Mr. Tolbert.

**Richard Tolbert:** Steve, I come from a slightly different perspective as you well know. I'm from the private sector so I'm not so used to all the techno language of the donor community, etc. And I might be a little bit too blunt here.

**Steve Radelet:** Please.

**Richard Tolbert:** I think we appreciate what the donor community has done. Without it, Liberia would not be where it is today, no question. But for me, I like to see more tangible results. A couple of years ago we had a major donor conference. I was there as an observer in New York. \$520 million was pledged to Liberia. I get home two years later and I ask where's the money gone? I don't see too much of it in physical results. Obviously the security side is there. We've had tremendous disarmament and that's great. There's a lot of good work that has been done by the donor community and we desperately need it. For me, from the private sector, I like to see tangible, direct benefits coming from the donor community.

**Steve Radelet:** Mm hm.

**Richard Tolbert:** I meet on a constant basis with visitors from various donor agencies, major groups, panels come in seeking advice, offering advice, and I think it's really wonderful. But I'd like to see some direct benefits come in. I won't mention the country, but there are some other countries that send one-man delegations and they look around my office and see I have no computers, I have no chairs, I have no paper, I have no lights. The next day, those things are there. So, for me, the donor community has done a wonderful job, but I think I'd like to see some more direct flow of funds into the country.

**Steve Radelet:** Great. Thank you. All right, let's turn – we have quite a crowd already waiting at the two microphones. Please state your name and your affiliation. Be direct with your question, no long speeches, please. And please go ahead.

**Janean Mann:** My name is Janean Mann and I'm a director of PACT, which is an international NGO doing a lot of work in Sub-Saharan Africa. Ellen, congratulations, Madam President. It's wonderful to see you back here in this capacity and alive after what we've all been through for so many years. My question is, what do you see as the best role that NGOs can play in Liberia at this point?

**President Sirleaf:** Janean, you are one of the persons I refer to when I say you've been on that long, long road. You know that. I think NGOs provide a very useful service in some of the community development work that they do. Right now in the area of infrastructure, particularly the rehabilitation of schools, counseling for the war-affected youth and training programs for them. All the areas where they can be very useful to us right now and some of them are just that. So there's a question of expanding some of the things that they do.

**Janean Mann:** We're doing some stuff in microfinance and education for women's groups and a lot of HIV AIDS. Are either of those issues –

**President Sirleaf:** Absolutely – As I mentioned, HIV/AIDS incidence has increased sharply so I think we're still in the denial stage to a certain extent. So more workshops, more education that bring sensitivity and consciousness to that is useful. Education – you mentioned women. Particularly girls. The importance of getting – you know, getting the girl child into school and find the means whereby we can protect them from being on the streets. As you know, rape is a big issue for us right now with peacekeeping forces and all that. NGOs can be very helpful working with the women organizations and putting up the kinds of institutional support and recourse for the young girls.

**Steve Radelet:** Great. In the back – we'll go to the back. If you're not in line now I'm afraid we'll have to hold it off. We've got a lot of people already in line. But sir in the back, please.

**L. Randolph Carter:** Uh, congratulations Madam President. My name is L. Randolph Carter. I am the Children and Youth Specialist for the Search for Common Ground. You've probably heard our talking from studio work in Liberia. I am a Liberian, proud, and I tell my work mates that every time the word Liberia is mentioned, my heart flutters. I am happy that nowadays we hear positive things. If you work internationally you'll know that once upon a time when you said that you were a Liberian the questions were all negative. And so now it's a great relief and it's just – I'm just so proud of my country that we can move beyond that. My question is basically about the young people. You've seen the power that the young people have. You've seen the mis-education that the young people have been given also. I'm happy that NGOs like my organization and others are working, uh, to do something but in Liberia, as you know, we say heaven helps those who help themselves. What structures have the Ministry of Youth and Sports put in place to ensure that we transition the young people so that they can move from the generation that has suffered for years to the generation that can ignite change in Liberia?

**Steve Radelet:** Thank you.

**President Sirleaf:** There are training programs for the youth. It's – right now, it's been centered mostly on the war-affected youth. Getting them reintegrated into their communities; um, starting the program that prepared them for entry into schools; sending them into skills training program. Beyond that the structures that will affect youth generally are all over the country. I think we ought to give us a little bit of a chance. It's just been three months.

**Minister Sayeh:** Not even – not even three months. Two months.

**President Sirleaf:** Two months.

**Steve Radelet:** Just two.

**President Sirleaf:** Two months.

**Steve Radelet:** It seems like many years, I'm sure, but it's only two months.

**President Sirleaf:** So I think if you give us another, you know, three or four months then we'll have many more structures in place. Right now, we're just doing the – the ongoing programs of just getting these kids reintegrated into their communities and into school.

**Steve Radelet:** Great. Thank you. In the front, sir –

**David Shear:** Madam President, it's thrilling to see where you are and to hear the clarity of your vision. I'm David Shear, Citizens International and also the Chairman of the Board of the Juvenile Institute. First, it's also wonderful to hear your canceling of those timber concessions and we would be prepared to help you in any way we can and with the international community in the realization of a comprehensive program for environmental safety and control. With respect to unemployment and the creation of the infrastructure which you mentioned, have you talked to the donors about how you would mobilize your youths and your unemployed around the recreation of the infrastructure and the mobilization toward the establishment of basic infrastructure, roads, etc.?

**President Sirleaf:** Absolutely. The infrastructure rehabilitation program plans – use the youths, ex-combatants are a particular target group in this regard. Of course, consistent with the skills they've been able to acquire through some of these skill-building programs. In the different counties it's they who are involved in repairing administrative buildings, schools, clinics and all of that to a large extent. Supplemented where necessary by, you know, extra professional skills. But they are in charge. The whole infrastructure program is an employment generating program that's with the youth as a particular target – particularly the ex-combatants and the war-affected youth. That's ongoing. It's been going on for a while. During the last year of the transition some of these programs were started. They're ongoing and we're trying to just expand them so we can do them in as many of the – the counties and rural areas as possible.

**David Shear:** Thank you.

**Steve Radelet:** If I can add to that briefly, however, it's hard for the donors to do that because they're not set up actually to build infrastructure and creating a lot of jobs for unemployed youth. They're set up to hire, uh, a consulting firm or some other firm to come in and do it – heavy equipment, not do much roads. A lot of the donors don't do roads right now. So there's a little bit of a – of a push to try to get the donors to fill what's really needed, rather than to just work along their normal modus operandi. Yes, sir. In the back.

**Isaac Tukpah:** Madam President, Isaac V. Tukpah Jr. I would like to congratulate you on your election. I would like to say that – be honest and say that at the onset of the run of me and some of the people in my political activism circle felt that your choice was to have been the lesser of two evils. But since your election, the confidence that you have inspired in the Liberian people, the people abroad, and even ex-patriots who are concerned about Liberia has been very significant and overwhelming, so I would like to congratulate you and the people you appointed for that. My question goes to Liberians abroad who are in the position to contribute probably from a distance. What kind of policies of embracement would – will you – or if you haven't implemented already, direct towards those people? Because there seems to be a sentiment of propriety for those on the ground versus those who are not on the ground and that has been

discussed across different circles. So how do we overcome that obstacle or that rejection to those who can contribute in some ways but not necessarily have to be on the ground?

**President Sirleaf:** Oh I'm so glad I've been elevated to \*\*\*\*.

**Minister Sayeh:** I knew that was coming.

**Richard Tolbert:** \*\*\*\*.

**Isaac Tukpah:** Honestly, Madam President, I know you can understand that.

**President Sirleaf:** No, I tell you. Even though there's reported to be tensions, you know, between those who remain there and those who are not there, I think you'll find a lot of welcome, uh, on the part of Liberians home. When they see people like yourself, people like them, come back home. Because they feel that is an expression of confidence. And even though they have suffered most and carried the brunt, they – I mean you're the lucky ones. We all are the lucky ones who could go into exile. They've carried the burden for us. And so we owe something to them. And so coming back is a demonstration of faith in them and hope in them and hope in the future. So we need for many of you to make the sacrifice like they have. I hope – and some Liberians are coming. Let me invite you too to join, you know? To join at that camp. To just show confidence in the future of your country. Come back. That's the message to you.

**Richard Tolbert:** Madam President, if I can just elaborate on that, Isaac. First of all, don't believe half of what you hear on the net, okay? There is no great resentment that I have found to the returnees. I don't know where that's coming from. I heard it before I went home; I haven't felt it. That's number one.

**Isaac Tukpah:** \*\*\*\*.

**Richard Tolbert:** That makes it even worse. But secondly, on a very practical level, let me tell you something that I have in mind. A lot of the local Liberian businesses have great ideas but they don't have capital. There are four or five hundred members of the Liberian Business Association. The leader of that has already come to see me. They have a lot of business ideas; they don't have capital. So one of the things I'd like to do is to create a database of investment opportunities that have been identified by Liberians in Liberia. Those of you who are outside who want to partner with the local Liberians maybe can use your capital and resources to come and partner with them. So that's one of the practical things I think that we can do. Team up Liberians abroad with Liberians on the ground to see how they can do business together.

**Steve Radelet:** Super. We're running a little short on time. What I think we'll do is have the two people in the front ask their questions together, answer those, and then turn to the last three people in the back. They can ask their questions together and then we'll go from there. Up in front, an old friend, an old teacher of yours, I believe.

**Peter Heller:** Old friend – Peter Heller. I'm Peter Heller and we actually knew each other a long time ago at Harvard, from 1970. You remember. That's a very long time and also in

technical assistance. I'm with the IMF and we certainly are intending to help work with you in terms of strengthening your public finance – Ministry of Finance, whatever. I was going to ask questions about the Diaspora but they've been certainly ventilated already. Another source of capital which has been very interesting for a lot of African countries has been China in the last several years and I'm wondering whether you've sort of explored the notion – and the Chinese don't seem to be as bothered by the way in which Western donors operate and they're interested in resources, they're interested in agriculture, they're interested in – and I'm wondering whether that's an avenue worth exploring. And on the Diaspora, look to the Eritreans. They seem to have figured out a way to mobilize – as you know, mobilize the Diaspora capital, certainly and support their development.

**Steve Radelet:** Thank you Peter, and the gentleman behind you – go ahead.

**Steve Radelet:** Peter? Why don't you let him –

**Peter Heller:** I'm sorry.

**Steve Radelet:** – ask away.

**Cicero Dennis:** My name is Cicero Dennis. Madam President, if I may extend a warm welcome and congratulations to you as well. My quick question to you is the projects that previous, uh, predecessors started – like the Ministry of Defense, National Bank, etc. Is this government going to continue the development of that project and will there be any legislature being placed for all presidents coming after you to continue whatever projects you have started?

**Steve Radelet:** Good, thank you.

**President Sirleaf:** Well the first one – Chinese are very much involved in agriculture, in infrastructure, they're going to get into helping us with long-term power development through the repair of the hydro. We've got a very active ambassador there and if you heard him say that somebody went and didn't find –

**Minister Sayeh:** That's what he was referring to.

**President Sirleaf:** – a computer and a chair –

**Richard Tolbert:** It was the Chinese Ambassador.

**President Sirleaf:** The next day it was there.

**Steve Radelet:** That's what I was guessing.

**President Sirleaf:** That's Chinese.

**Steve Radelet:** That's what I was guessing.

**President Sirleaf:** So they're very much involved with us. The completion of some of the projects started, yes. I mean we have a lot of investment in those unfinished structures but of course right now it's not the top priority for us. I mean the top priority is to fix the schools and the clinics and get electricity going before we start to talk about major government buildings. But eventually we'll get to that. Whether you legislate that a government should finish a project it started, I think on that one we'll just teach people so they elect well, you know?

**Steve Radelet:** Thank you. In the back. We've got four people; we'll take the four quick questions and then unfortunately, the President has another appointment coming up so we're running out of time. But we'll take these four questions in the back.

**Next Speaker:** Yes, my name is Professor B.A. \*\*\*\*. Madam President, I'd be remiss if I do not commend you on the heroic achievement. As a Nigerian American, I would like to seize this opportunity to send messages to all other African leaders to start taking notes. My specific question for you – in the absence of the Ministry of Environment, how do you plan to address environmental health issues?

**Steve Radelet:** Good. Good question. Next, please.

**Next Speaker:** Hello Madam President. My name is Harrison \*\*\*\*. I'm a Liberian \*\*\*\* baby. I'm a journalist. I worked there for seven years \*\*\*\* government and thank God I lived. I have two questions. What is the potential for the journalists in our country? And the second question is to the National Investment Chairman. \*\*\*\* I never gave up. I went in 1999 to \*\*\*\* during the \*\*\*\* government. I met with Cristo \*\*\*\* said yes, bring your investments. \*\*\*\* I ended up spending \$75,000.00 for two weeks \*\*\*\* get anything. So what incentive do you have for investments to encourage \*\*\*\* to our country?

**Steve Radelet:** Okay, thank you. Next question – yes, ma'am.

**Kimberly Russell:** Congratulations Madam President. My name is Kimberly Russell. I'm with VOA TV to Africa. Have one quick question. Besides the US's involvement with these security and peacekeeping forces in Liberia what else would you like to see the US do in Liberia?

**Steve Radelet:** Great. And the last question – yes, sir.

**Cecil Frank:** I'm Cecil Frank from – a Liberian \*\*\*\* Russia \*\*\*\* Moscow \*\*\*\* and a member of the National Academy of Sciences in Ukraine and in Russia. My first question to you is can you please share before us your thinking and on the back of improving the educational skills of Liberians. That's number one and number two in the past the tax system in Liberia have punished Liberian investors, basically what he said in the course of doing business, so I would like to know specifically from Mr. Richard Tolbert what incentive or plan – what are his commission's plans to somehow encourage Liberian investors to come into the country?

**Steve Radelet:** Good. Thank you. A couple of questions about investment incentives. Do you want to start with that?

**Richard Tolbert:** Sure. To the gentleman who spoke before you and asked about what guarantees do we have that investors will not get the short end of the stick – there are no guarantees in business. But I'll guarantee you this – everything will be done in an open, transparent fashion. That's how business is done at the NIC and in the government today. You will not be spending your money on anyone behind closed doors, in the back seats of cars and hotel rooms that you don't have to spend to come in and do business. You bring your business proposal in, it will be evaluated by a technical committee which consists of the Ministry of Finance, Planning, Commerce and myself and the Ministry of State. If the project is viable, we will offer you incentives – in answer to the second gentleman's questions. There are specific incentives that we can offer. Tax holidays, up to five years on your profits. Free remissions of dividends and profits. Duty-free privileges on goods, capital goods and equipment coming in. Access to land and industrial park, etc. We're not going to give you a commercial guarantee but we can give you a guarantee that you will be dealt with fairly, openly and transparently.

**Steve Radelet:** That's great. There were three other issues on the environment, potential for journalists and what else the US can do.

**President Sirleaf:** Environment – we don't have a Ministry of Environment but we have an Environment Protection Agency and that's the one that safeguards, uh, environmental – the recommendation and the implementation of laws and regulations and policies relating to that. Uh, what else the US can do beside the security sector. We certainly would like – the US is already involved in infrastructure development, community development. They're supporting that. We'd like to see that expanded. We'd like to see the US use its influence for us keeping the peacekeeping force there. We're working with them, as I say, on GSP AGOA and the MCA. We would like to see the US help us when we get to the place where we can resolve our debt problem through the kinds of bilateral, multilateral arrangements that have been discussed. And so in all those areas, uh, we want to see the US continue and expand what it's doing. If there's anything they can do to help us more, it's something we just told them that less of a time between commitment and cash.

**Steve Radelet:** And the last question – that's substantially less than the time. The Ambassador's laughing very hard here. He can do that now that he's the former US Ambassador. He can do that. And the last question was about the potential for journalists.

**President Sirleaf:** \*\*\*\* you want to take that one? We've had a publisher \*\*\*\* analyst right here with us. No, but you know, our media is aggressive. Sometimes even more so, sometimes too commercial. But, you know we – I think there are programs also to support media development, training programs to help professionalize the media to sharpen their investigative skills. But they're an important part of the checks and balances in society and, you know, what they do now and what we hope they will do even more of is to – to keep the government and its machinery under a microscope, making comments – both positive and negative – as the circumstances will dictate, and that they will practice professional journalism. That's all we ask, and the government has to support them to carry out that independent, professional role.

**Steve Radelet:**  
with us today.

Well Madam President, thank you very much for taking the time to visit