

**ANNUAL MESSAGE**  
To the  
**Fifth Session of the**  
**52<sup>ND</sup> National Legislature of the Republic of Liberia**  
By  
**Her Excellency Ellen Johnson Sirleaf**  
**President of the Republic of Liberia**  
Capitol Hill, Monrovia  
Monday, 25<sup>th</sup> January 2010

**Mr. Vice President;**  
**Mr. Speaker, Mr. President Pro Tempore;**  
**Honorable Members of the Legislature;**  
**Associate Justices of the Supreme Court and Members of the**  
**Judiciary;**  
**Former President and Mrs. Moses Blah;**  
**Former Chairman of the National Transitional Government, Mr. Gyude Bryant;**  
**Doyen and Members of the Cabinet and other Government Officials;**  
**Mr. Doyen, Excellencies and Members of the Diplomatic Corps;**  
**Her Excellency, the Special Representative of the Secretary-General**  
**of the United Nations in Liberia;**  
**Officers and Staff of the United Nations Mission in Liberia;**  
**The Command-Officer-in-Charge, Men and Women of the Armed Forces**  
**of Liberia (AFL);**  
**Former Government Officials;**  
**Traditional Leaders, Chiefs and Elders;**  
**Political and Business Leaders;**  
**Officers and Members of the National Bar Association;**  
**Labor and Trade Unions;**  
**Youth and Student Organizations;**  
**Civil Society Organizations; Members of the Press;**  
**Distinguished Ladies and Gentlemen;**  
**Fellow Liberians:**

*INTRODUCTION*

In obedience to the Constitution of our Republic, I have the honor, for the fifth time, to report to you on the affairs of our nation. First, in homage to God Almighty, by whose

Supreme Will we are guided, and to the memory of the cherished Liberian leaders and citizens who have passed from this life, I ask that you join me in observing a moment of silence.

### *LEGISLATIVE AGENDA*

**Honorable Legislators**, let me express my thanks and appreciation for the spirit of cooperation that exists between the Executive Branch and this Honorable Body, as we join forces in bringing peace and prosperity to our nation and its people.

We commend you for enacting into law several pieces of legislation significant to achieving our development goals under the Poverty Reduction Strategy (PRS). We are pleased to state that out of 26 legislative instruments submitted by my Office to your Honorable Body during its Fourth Session of the 52<sup>nd</sup> Legislature, 21 have been enacted into law, and 5 are being deliberated upon in Committee Rooms. We are also pleased to recall that 10 pieces of legislation submitted to this Honorable Body in previous years were also enacted into law, for a total of 31 pieces of legislation enacted into law during the period under review. Several of them, significant to our PRS program, include: An Act to establish the Land Commission; the Public Finance Management Act; An Act to establish the Liberia Airport Authority; the Amendment to the Independent National Commission on Human Rights Act; and an Act Establishing the Liberia Extractive Industries Transparency Initiative (LEITI). Again, I express my sincere gratitude for your cooperation.

**Honorable Speaker and Members of the Legislature**, we are pleased to state that most of the pieces of legislation enacted fall under the **Economic Revitalization Pillar**

of the Poverty Reduction Strategy. Notable amongst these are: the Concession Agreement between the Republic of Liberia and Buchanan Renewables (Monrovia) Power, relating to a power generating complex near Monrovia; the Amended and Restated Concession Agreement between the Republic of Liberia and Sime Darby Plantation (Liberia) Inc., for reactivation and expansion of the Guthrie Rubber Plantation in Bomi, Grand Cape Mount and Gbarpolu Counties; the Mineral Development Agreement between the Government of Liberia and China Union (Hong Kong) Mining Co., Ltd. and China Union Investment (Liberia) Bong Mines Co., Ltd. for reactivation of mining activities in Bong County; the Extended and Restated Agency Agreement between the Republic of Liberia and LISCR, LLC for the management of our Maritime Program; 7 Forest Management Contracts signed between the Government of Liberia represented by the Forestry Development Authority and the following entities: Liberia Tree and Trading Company; EJ & J Investment Corporation; Alpha Logging & Wood Processing Inc.; Atlantic Resources Ltd.; International Consultant Capital (ICC); Geblo Inc.; and Euro Liberia Logging Company. These contracts represent operations in Grand Kru, Maryland, River Gee, Nimba, Grand Gedeh, Rivercess and Sinoe Counties. Other legislations ratified by this Honorable Body are: Production Sharing Contracts signed between the National Oil Company of Liberia (NOCAL) and Anadarko Liberia Company; and Oranto Petroleum Ltd.

Enacted legislation supportive of our programs under the **Peace and Security, Governance and the Rule of Law, and Infrastructure and Basic Services Pillars** include: A Community Rights Law with respect to Forest Lands; An Act to Repeal the William V. S. Tubman College of Technology and Create the William V. S. Tubman

University; An Act to Amend Chapter 3, Sub-Section 116, of the Liberian Maritime Law Title 21 of the Liberian Code of Laws of 1956 as Amended, Adding thereto one new Section 116B, known as insolvency of Foreign Mortgage; An Act ratifying the Universal Instruments Against Terrorism; An Act ratifying the ECOWAS Convention on Small Arms and Light Weapons, Their Ammunition And Other Related Materials; An Act to Repeal Chapter 11 of An Act Amending Title 22 placing thereunder the Registration and Control of Pleasure Watercraft, and Commercial Vessels of less than 500 gross tons operating in and outside the Territorial Waters of the Republic of Liberia, and to Amend Title 21 of the Liberia Code of Laws Revised adding thereto a New Chapter 11, known as Registration and Control of Pleasure Watercraft, Yacht, Fishing Vessels, and Domestic Commercial Vessels Operating In and Outside of the Territorial Waters of the Republic of Liberia; An Act Amending the Liberia Revenue Code of 2000 of the Republic of Liberia (also known as Economic Stimulus Taxation Act of 2009); ECOWAS Energy Protocol; and the International Coffee Agreement 2007.

During the period under review, our Administration issued 5 Executive Orders in the interest of the public, to meet emergencies or to correct particular situations which could not await the lengthy legislative process to run its course: Executive Order No.18, extension of Executive Order No. 7, on Establishment of Liberia Macroeconomic Policy Analysis Capacity Building Project (LIMPAC); Executive Order No. 19, extension of Executive Order No. 11, on Suspension of Tariff on Rice; Executive Order No. 20, establishing a Law Reform Commission; Executive Order No. 21, amending Executive Order No. 20; and Executive Order No. 22, Protection of Whistleblowers.

**Honorable Legislators**, we appreciate your continued support and take the opportunity to solicit your usual cooperation for the enactment of draft legislations still pending before you, which have significant implications for the achievement of our goal of national renewal and for the protection of our people. These include: the Investment Incentives Act of 2009; the International Convention against Doping in Sports; three Mineral Development Agreements between the Government of Liberia and AmLib United Minerals for Rivercess, Grand Gedeh and Montserrado Counties; the Code of Conduct for Public Servants Act; and An Act to Amend Title 2, Criminal Procedure Law, as enshrined in Volume 1 of the Liberian Code of Law Revised.

**Honorable Legislators**, as we move into the Fifth Session of the 52<sup>nd</sup> Legislature and the fifth year of this Administration, let us endeavor to keep the path to our development agenda steady, in the interest of our people. In this vein, we will be submitting to your Honorable Body, for enactment, several proposed Acts intended to enhance the progress and tackle the challenges under the Poverty Reduction Strategy. These include: An Act Amending the Public Procurement and Concessions Act of 2005 and to harmonize the New Mining and Mineral Law and Petroleum Law with the PPCA; An Act to Create the National Bureau of Concessions; the Liberian Law Reform Commission Act; the National Security Reform & Intelligence Act; An Act to amend Sub-chapter C of the Domestic Relation Law of Liberia 1956 & 1976 relating to Adoption; the National Insurance Commission Act; and the Amendment to the Insurance Act of 1973.

Others Concession Agreements that will be finally concluded and submitted for your ratification are: Putu Iron Ore Mining Ltd.; BHP Billiton Iron Ore; Elenilto Minerals and

Mining Ltd. for the Western Cluster; and the 2<sup>nd</sup> Amendment to the China Union (Hong Kong) Mining Co., Ltd. and China Union Investment (Liberia) Bong Mines Co. Ltd.

I will also submit to your Honorable Body, for enactment, an Act to amend the Act providing for Retirement Pension for the President & Vice President, the Speaker & Deputy Speaker of the House of Representatives, the President Pro Tempore of the Liberian Senate & Members of the National Legislature, the Chief Justice & Associate Justices of the Supreme Court and Judges of Subordinate Courts of Record, Cabinet Ministers, Deputy & Assistant Ministers, Members of Autonomous Commissions, Ambassadors and other Senior Officials of Government, including Superintendents of Counties; and legislations to Repeal Moribund State-Owned Enterprises (SOEs).

The Civil Service Agency is working in collaboration with the Governance Commission to complete Mandate and Functional Reviews of Government Ministries, Agencies and Commissions. Shortly, I will be presenting to you legislation designed to collapse the level of Assistant Ministers into the Civil Service. This action is part of our attempt to deploy high-level technocrats at the top of the Civil Service and to protect the careers of our best and brightest talent in the public service from political interference. This action will also ensure that as Governments change, the technocrats in the service will remain intact to preserve the institutional memory of the system and ensure continuity in Government's obligation to deliver prompt and needed service to our people.

In a bid to harmonize Liberia's Revenue Administration on par with the sub-region and the rest of the world, we shall submit the following legislation to you: a proposed Act to grant a national tax amnesty on overdue interest and penalties; an Act to adopt the

ECOWAS Common External Tariff (CET) migration plan; Acts to ratify ECOWAS Protocols and Conventions to ensure Liberia's compliance with initiatives undertaken by ECOWAS to improve customs administration in the region; and Acts to ratify Protocols of the World Customs Organization (WCO) to facilitate Liberia's WTO ascendancy.

**Mr. Vice President, Mr. Speaker and Mr. President Pro Tempore**, when the Oath of Office was administered to me during my inauguration on January 16, 2006, I committed myself to the protection and preservation of our national integrity, a goal which I hold dear, especially to our people and our international partners.

On this path, this Administration for the last four years has taken many strong initiatives toward actualizing our goal of national integrity. Appropriate legislations were enacted and published into handbills, to include: the Anti-Corruption Commission; the Liberia Extractive Industries and Transparency Initiative (LEITI), which monitors adequate transparency and accountability of revenue realized and the performance of concessions from the extractive industry. On the initiative of the Administration, revenue from the forestry sector has also been added in the LEITI revenue monitoring mechanism.

Amongst the several legislations and concession agreements that will be submitted to your Honorable Body for enactment, the one considered profound and relevant to achieving our objective of national integrity is the Whistleblower Protection Act. This Act, when enacted, will: encourage the participation of every citizen in the fight against corruption; provide for the manner in which individuals may, in the public interest, disclose information that relates the unlawful or other illegal conduct of corrupt practices

of others; provide for the protection against victimization and retaliation of persons who make those disclosures; and provide for a fund to reward individuals who make the disclosures.

**Mr. Vice President and President of the Senate,** I thank you for your continued loyalty, dedication, strong support and assistance in the discharge of my functions, taking from my shoulders many of the duties that come with governing a nation – responsibilities that include investment promotion, program monitoring, international representation, and the resolution of disputes.

**Mr. Speaker, Mr. President Pro Tempore,** I applaud the renewed leadership you bring to this legislative process, and seek your continued cooperation in the passage of legislations and instruments of ratification to move our national agenda and our nation forward.

### *VISION*

**Honorable Legislators,** our vision for Liberia, enshrined in our Poverty Reduction Strategy, remains unswerving and unambiguous. Liberians want to build a new nation that is peaceful, secure and prosperous, with democratic and accountable governance based on the rule of law and with abundant employment and other economic opportunities. Our critical objective, over the next two years of this Administration, is to continue on an irreversible path toward this goal: to achieve rapid, inclusive and sustainable growth and development; to build the capacities of and provide new opportunities for Liberia's greatest asset – its people; to establish responsible institutions of justice, human rights and governance. This is our vision and our commitment which can only be achieved when the majority of our people share in the vision and are willing to participate positively and constructively in the processes of reform and change.

## *NATIONAL DEVELOPMENT AGENDA*

**Honorable Legislators**, as a nation, we have come a long way in our journey to economic reconstruction and national renewal. In April 2008, we launched an ambitious development agenda, the “Lift Liberia” Poverty Reduction Strategy (PRS). This development road map was agreed upon as the best prescription for reducing the suffering of our people and laying a solid foundation for the “rapid, sustainable, and inclusive” economic growth and development sought by our vision.

Although mindful that the decline and destruction experienced by our country for more than 30 years would by no means be fully addressed in three or six years, and against the rising expectations of our people, we have continued to make progress – a progress slowed last year because of the global economic and financial crisis.

Let me, therefore, report to you on the state of our nation over the past year – the policies we’ve put into place in furtherance of our development agenda; the progress we’ve made in implementation; and the challenges we face in “Lifting Liberia.”

### **Pillar I: Consolidating Peace and Security**

Liberia, today, is a nation at peace, and for that we must give God thanks. That peace, now in its seventh year, is due, in large measure, to the resilience of the Liberian people and to the steadfast support our nation and people have received from the United Nations Security Council and, more broadly, from the international community, in providing the United Nations Mission in Liberia (UNMIL). As peace and calm are restored throughout our land, and as our security forces prepare, the UN peacekeeping force, in an agreed drawdown program, will, by April of this year, have a strength of some 8,200 troops and about 1,375 police, from its peak strength of 15,000 troops and 69 police in 2003. Under this plan, Liberia will be increasingly responsible for maintaining the peace and security of our nation. However, the agreed gradual drawdown plan ensures a meaningful size force in the country through the 2011 elections.

We recognize, however, that while the security situation has improved, we still have a long way to go. Our armed forces, police and other security units must, within the context of the approved national security strategy, complete the process of restructuring and rebuilding, recognizing that national security is the key pillar upon which the success of our economic, governance and infrastructure pillars rest.

We are thus pleased to report that we are on track with the training of a 2,000-strong professional and ethnically balanced Armed Forces of Liberia (AFL) which will have prime responsibility to protect the geographic integrity of our nation and whose numbers include an engineering company which I have mandated to speedily move to battalion strength so as to contribute to the building of our country's economic infrastructure. Effective January 1, 2010, our support from the United States ended and we assumed full responsibility for the AFL's growth, maintenance and sustenance. We are acutely aware of our responsibility to sustain a professional armed force by providing continuous training as well as financial and moral support for the men and women in arms. In this regard, our effort and responsibility will be supported by a number of specialized training programs provided by the United States, China and our brotherly West African States of Nigeria, Ghana, Benin and Sierra Leone. Our training effort will also be enhanced by the work of 64 "mentors" from the U.S. Marines Africa Command who arrived in Liberia this month for a one-year assignment.

During the reporting period, the Ministry of Defense moved into the newly renovated facilities at the Barclay Training Center (BTC) in Monrovia, which were renovated by the Government of the United States. The Government also assumed full responsibility, including military hardware, equipment and material, for the Camp Tubman Military Barracks in Gbarnga, Bong County, which was renovated and equipped by the Government of the People's Republic of China; for the Camp Edward Binyah Kesselly Barracks in Schiefflin and the Camp Sande Ware in Careysburg, both of which were renovated with support from the United States.

As you are aware, **Honorable Legislators**, under the Defense Act, we are obliged to develop and re-establish our capacity to man our territorial waters. I am now pleased to report that we will activate, two weeks from now, on Armed Forces Day, February 11<sup>th</sup>, the Liberian National Coast Guard, with an initial strength of 40 persons who have been trained in the United States.

As we build and sustain a New Liberian Army, let us not forget those who already served our nation. The National Bureau of Veterans Affairs, established in July 2008 to cater for the needs of veterans, is designing programs and activities which include the promotion of agriculture cooperatives to improve the lives of AFL veterans by economically empowering them. Officials of the Bureau, along with hundreds of veterans, have actively supported our regular clean-up campaigns. With the economy expanding, we expect to enhance the work of the Bureau by moving forward with the appointment of the 15 County Coordinators who will represent and handle the registration of veterans at the county level.

The National Commission on Disarmament, Demobilization, Rehabilitation and Reintegration (NCDDRR) was formally closed last July, after catering to the needs of the residual caseload of 7,388 disarmed and demobilized ex-combatants by providing them with productive skills and options for employment as an effective means to a successful transition to civilian life. The 53 ex-Generals of the AFL and warring factions were also honorably retired. We commend the leadership of the program for bringing this six-year initiative to successful closure.

The Liberia National Police (LNP) is one of the basic building-blocks for Liberia's new security architecture. The new Inspector General/Director of Police, in collaboration with UNMIL/UNPOL, is in the process of reorganizing the LNP to make it more responsive and effective in protecting the citizenry. A personnel vetting and verification process has been completed, and merit-based standard entry requirements and accountability procedures established. The Emergency Response Unit (ERU), created in 2008, has a current strength of 288, which will increase to the target 500 by the end of this year. The

ERU, with the combined effort of the Police Support Unit (PSU), has been very instrumental in improving the overall performance of the LNP. As a result, the incidents of armed robbery in Monrovia and around the country have declined drastically, with an estimated decline of over 65 percent in the last few months. Yet, we cannot be complacent because of this progress, realizing that until we reduce the vulnerability of the unemployed, particularly the young, the potential for crime and violence will persist.

At the community level, there has been good progress toward enhancing community-based policing and improving relations between the security institutions and civilians. The establishment of community telephone hotlines has improved police operations, promoted better interaction with the public and raised the profile of law enforcement. At the county level, the Government has made good progress in building responsive county-based security mechanisms to coordinate and promote local management of peace and security. A policy-oriented mechanism, the County Security Council, developed with full participation of the County Superintendents, was launched on December 4, 2009 in Kakata, Margibi County.

According to the Bureau of Immigration and Naturalization (BIN), in 2009 a total of 245,392 aliens of various nationalities were admitted into the country, while 124 others were refused admission for various reasons. This compares with 235,495 who were admitted in 2008, suggesting more interest in the potential progress and development of our country. Some 50 Liberians were deported in 2009 from various parts of the world, including the United States, South Africa, and some countries in Asia due to criminal behavior and violations of the immigration laws of those countries. It was determined, subsequently, that seven of the 50 deportees were not Liberian citizens but, instead, nationals of various African countries who had obtained Liberian passports fraudulently. An additional 27 deportees from the United States are expected within the next few days. The Ministry of Justice has engaged the authorities of the United States for a better arrangement under which Liberian citizens can return home. At the same time, the Bureau is working on a program to identify the thousands of undocumented aliens

who continue to take advantage of our country's porous borders by engaging in the illegal exploitation of our natural resources.

Drug trafficking continues to pose a national security threat to Liberia because of our limited human and material capacities to police and monitor our porous borders and extensive coastline. Last year, the Agency seized over 44,000 kilograms of marijuana, over 500 grams of cocaine, and large quantities of heroin and diazepam. The street value of narcotics destroyed by the DEA was over L\$32 million or nearly US\$2 million. DEA investigations led to 361 drug-related arrests, 331 of whom were charged and forwarded to various magisterial courts for prosecution. A proposed Anti-Drug Law is currently being reviewed, the passage of which would provide law enforcement officers with laws that are more stringent and broader in scope to ensure that the criminal justice system is more effective in apprehending and prosecuting violators.

To ensure enduring peace, our Government must also respond to the needs of another category of Liberians, namely, the large number of our citizens, formerly refugees, who have been steadily repatriated from neighboring countries. According to statistics of the Liberia Refugee, Repatriation and Resettlement Commission (LRRRC), 11,000 Liberian refugees returned in 2009, adding to the 10,000 repatriated in 2008 largely through the assistance provided by the Office of the UN High Commissioner for Refugees (UNHCR). Most of these refugees have settled in Monrovia and its environs. With the program of assistance ended, most of the internally displaced have returned to their counties of origin or integrated into the community in which they settled. LRRRC also provided care and maintenance for 1,247 Ivorian refugees, and hosted 3,563 Sierra Leonean refugees, 1,033 of whom expressed their intention to be locally integrated.

At the same time, UNHCR records show a total of 64,500 Liberian refugees still residing in the neighboring countries of Côte d'Ivoire, Benin, Burkina Faso, Ghana, Guinea, Nigeria and Sierra Leone. As Liberia makes the transition from emergency to development, organizations, including UNHCR, with a mandate for emergency work are scaling down, shutting down, or adjusting their program agenda to conform to the current reality. Thus, LRRRC is assuming responsibilities once carried out by the

refugee agency. Our Government must continue to meet the needs of these changing circumstances and continue through our diplomatic missions to assist our citizens to return home.

The **National Fire Service** fought nearly 200 fires in Monrovia last year. Despite their best efforts, there were 24 deaths and almost US\$4 million in property damage. As the Fire Service works to update the Fire Prevention Law, to seek opportunities to train fire fighters and officers, and to improve the response time to fires, we must find the means to capacitate the system through additional logistics and training.

## **Pillar II: Revitalizing the Economy**

**Mr. Speaker, Honorable Members of the National Legislature,** we have come a long way since 2006 in rebuilding and reintegrating our economy into the world economy.

Gross Domestic Product (GDP) registered growth of 7.8 percent in 2006, up from 5.3 percent in 2005. In 2007, our growth accelerated to 9.5 percent, but declined in 2008 to 7.1 percent due to the knock-on effects of the global economic crisis. As the impact of the crisis hit hardest in 2009, we expect growth of no more than 5 percent. If the current pace of recovery continues, we should return, in 2010, to a growth rate of not less than 7 percent, the minimum level required for an effective fight against poverty. The growth is expected to derive from continued expansion in the service sector, particularly housing construction and investment in our mining, agriculture and forestry sectors which were delayed but have now commenced.

There is no doubt that the global recession was profound, with direct impact on Liberia in four ways: reduction of government revenues; decline in exports driven by depressed commodity prices; delayed foreign investment; and reduction in the inflow of remittances. The downturn of the crisis added to the formidable challenge of reconstruction, peace building, poverty reduction, and expansion in employment opportunities.

The economy also experienced significant outflows in capital due to a cutback in external and suppliers' credit lines normally available to local importers. The resulting increase in the demand for U.S. dollar loans from local banks, to cover the cost of imports, led to 10 percent depreciation in the Liberian dollar between March and October 2009.

To mitigate these negative impacts and to ensure macroeconomic stability and sound public finance, the Ministry of Finance, along with relevant stakeholders, instituted measures which included encouraging more widespread use of the Liberian dollar in the payment of customs duties, real estate taxes, and certain goods and services. The system of cash-based balanced budget was scrupulously observed, and implementation of the Public Financial Management Act commenced, to bring Liberia into line with international best practice.

The global economic crisis also adversely impacted public revenues, constraining the ability of Government to deliver on critical components of our development agenda, particularly employment, which has important implications for our poverty reduction effort and for social stability. In light of the crisis and until recovery is sustained, we intend to revisit and more strictly prioritize areas of delivery within the Poverty Reduction Strategy to make the most of limited available resources in the remaining 18 months of the PRS period (January 2010 – June 2011).

**Honorable Legislators**, the Government made major strides in deepening public financial management and other reforms necessary to reach the Highly Indebted Poor Countries (HIPC) completion point in mid-2010. This is expected to open up fiscal space once the remaining external debt overhang is eliminated. As you know, our Government inherited a staggering debt overhang which, by end 2007, had reached US\$4.9 billion in external debt. Of this amount, US\$1.6 billion was owed to multilateral creditors (mainly the World Bank, the International Monetary Fund (IMF), and the African Development Bank), about US\$1.5 billion to bilateral creditors (donor countries) and US\$1.6 billion to commercial creditors (financial institutions and suppliers). In normal terms, an additional

US\$900 million was in domestic debt, which amount was streamlined to US\$500 million after audit by international auditors. This debt stock represented more than two decades of non-serviced arrears, resulting in accumulated interest and penalties. Over the same period, our capacity to service the debt completely collapsed, with GDP falling by 90 percent, registering one of the world's largest economic decline. Exports became virtually non-existent. The ratio of external debt to export was 2,300 percent, and 700 percent of GDP. Under the HIPC program, we have made major progress in clearing this debt. At present, our external debt stock has been reduced to US\$1.7 billion, made possible through grants provided by the World Bank, the IMF, and several key bilateral partners. A commercial debt buyback, at 3 cents on the dollar, has reduced this segment of our arrears from US\$1.6 billion to US\$300 million. This includes the US\$20 million due two hedge (vulture) funds that refused our buyback offer, electing instead to sue us in several jurisdictions. We continue to resist this claim legally and, with support of several bilateral partners and international civil society organizations, are bringing moral pressure on these entities.

At the same time, we wish to note that we met virtually all the performance criteria and benchmarks under the Poverty Reduction and Growth Facility (PRGF) agreed with the IMF for 2009 and are on course with the implementation of criteria and benchmarks for 2010. Also, we have already met most of the triggers under our HIPC program. We must now ensure implementation of the Public Financial Management Law and its Regulations, work in concert for the passage of a New Investment Code, and complete the second successive annual external audits of the Ministries of Health, Education, Public Works, Finance, and Lands, Mines and Energy, in order to meet the 2009 triggers for reaching the completion point.

Economic recovery provided a basis for consistent rise in fiscal revenues. This trend continued in 2009, replicating the year-on-year growth registered since the inception of this Government. The revenue target for the calendar year was US\$229.5 million. Actual collection to date is US\$236.3 million, which exceeds total projection by US\$6.8 million, or 2.9 percent. Compared to the preceding year, there was a growth of US\$25.1

million, or 11.9 percent, from US\$211.2 million to US\$236.3 million. The growth in revenue was driven essentially by internal tax revenue supporting an expansion in the tax base. Notwithstanding overall calendar year good performance, revenue stagnated in the second semester of the calendar corresponding to the first semester of the 2009/2010 fiscal year, necessitating implementation of a FY 09/10 budget Risk Management Strategy that ensured that spending was in accordance with actual revenue collection, in line with our cash balanced-budget policy. Among challenges encountered in revenue collection were the long delay in upfront payments expected from the China Union and the deferment of revenue expectations from the Western Cluster mining concessions on account of the contracted bidding and contract ratification process. After several high-level interventions from our side and recent negotiations in Monrovia, in which the Government of China assumed direct participation in the project, we are assured that the payment from China Union will be made. The Western Cluster payment continues to be delayed, although negotiations have started with the concession that won the rebid. Other factors affecting revenue performance were: the delay in the contractual payments due from the forestry sector; the impact on import value of the decline in world market price for fuel; the delay in the start-up of new investments and the decline in world prices for primary commodities, mainly rubber.

During the year in review, the Ministry of Finance finalized the opening of a One-Stop-Shop at the largest port of entry – the Freeport of Monrovia – bringing under one structure, in harmonized operations, the Customs Freeport Collectorate, a Central Bank tax payment window, BIVAC, and the National Port Authority. This system has streamlined the customs clearing process, thereby facilitating a freer flow of international commerce and reducing business clearing cost with positive impact on economic growth. As part of the customs modernization plan, the Ministry, with funding from the African Development Bank, acquired the customs software, Automated System for Customs Data (ASYCUDA), which further enhanced the customs clearing process at the Freeport. Similar automation systems will be extended to other collectorates in 2010. In addition, the Bureau of Internal Revenue, under its modernization plan, will

automate its processes in 2010 by installing the Integrated Tax Administration System (ITAS). The installation of these systems is an important element in our overall plan for enhanced transparency and accountability.

**Honorable Legislators**, together we approved the FY2009/2010 National Budget at US\$371.91 million, an increase of about 25 percent when compared to the 2008/2009 budget of US\$298 million. This proved to be a much too optimistic growth in the environment of a global economic depression.

As a result and consistent with a balanced budget policy that prohibits off-budget financing, in the second half of FY2008/2009 we introduced a Risk Management Strategy that required adjustment of an average 15.7 percent, or US\$58.5 million in appropriation levels across spending entities and other budget lines. Allotments of US\$156.5 million, representing 40 percent of the relatively certain appropriation of US\$313.4 million, were processed against the remaining 84.3 percent of the budget, with special considerations taken to protect strategic social expenditures and to ensure respect for budget assumptions which were based on, and linked to, the Poverty Reduction Strategy and spending priorities.

With these measures in place, total expenditure for the period under review was \$245.57 million, or 6 percent above 2008. In order to ensure consistency and continuity for growth and strategic social programs, a medium-term expenditure framework is being formulated for the preparation of the budget in future years starting in FY 2010/2011. Road construction, health, education, agriculture, and water and sanitation will remain the targeted areas of recommendation from the Executive Branch for significant budgetary increase. Increases in salaries and wages will be directed at civil servants.

I would be less than candid if I did not tell you that we continue to face challenges associated with the implementation and execution of the National Budget. This includes capacity constraints at all spending entities, difficulty in understanding and/or failure to

adhere to the Public Procurement & Concessions Act and the Financial Rules. The newly passed Public Financial Management Law will impose even stricter financial rules, making it necessary that we accelerate the progress made in the areas of process automation, the fight against fraud, and capacity building. The Ministry of Finance is working actively with the General Auditing Commission and the Civil Service Agency to sanitize and authenticate the civil service payroll to identify and remove ghost names. A key initiative in this regard is the introduction of a direct deposit scheme whereby the payment of civil servants' salaries and payments to vendors are paid directly into the beneficiary account at local commercial banks. The direct deposit scheme is now in effect in Montserrado, Nimba, Grand Bassa and Margibi counties. Five additional counties - Lofa, Grand Gedeh, Bong, Cape Mount, and Maryland - are expected to be incorporated into the scheme in February 2010. This scheme brings us to par with similar processes in most African countries.

In November 2009, we adopted internationally recognized public sector accounting standards for Government and are developing a comprehensive chart of accounts as a prelude to the implementation of an Integrated Financial Management and Information System (IFMIS). IFMIS is expected to go live in June 2011 and will automate budget preparation and execution and other public financial management operations. These reforms will enable us to produce financial statements for Government for the first time in the history of our country.

**Honorable Legislators**, 2009 proved to be both challenging and rewarding for our maritime program. Notwithstanding the global economic crisis, the program again delivered a solid performance, and is poised to break new ground in 2010 and beyond. As of December 31, 2009, the halfway point for the Government's fiscal year, net revenues paid by the Bureau of Maritime Affairs (BMA) stand at US\$8,294,477, or 52 percent of our initial revenue target of US\$16 million, and 46.1 percent of the revised target of US\$18 million, which includes the contingency assessment made by you. For the 2009 calendar year, the maritime program provided US\$18.2 million to Government – US\$14.7 million net cash to Government revenue, US\$3.4 million in dues paid to the International Maritime Organization, and US\$135,000 paid to the Regional Maritime

University. It is important to note that the US\$14.7 million compares with the forecasted net revenues of US\$13.6 million for that timeframe.

The program continues to make impressive gains in vessel registration and tonnage. Our fleet currently stands at 3,140 vessels, weighing 101 million gross tons, compared to 2,926 vessels and 52.6 million net tons as of December 31, 2008. A 10-year extension on its contract, duly ratified by your Honorable Body, will enable the Liberia International Shipping and Corporate Registry (LISCR), the Agent of the Liberian Registry, to continue to work with us in expanding the operations of, and benefits from, our maritime program.

For 2010, the BMA looks to fully ingrain maritime safety, security and navigation; to properly regulate all commercial activities within our territorial waters; and, in collaboration with other agencies of Government, to ensure that illegal activities on our waterways are minimized, and eventually eradicated. Training and development of capacity will be the hallmarks of how the BMA effectively “builds a maritime nation.” This initiative has the potential to create up to 200 new jobs in this field, thereby providing a tangible source of employment for our young men and women. After a 15-year hiatus when we lost our maritime training rights to another West African country, we will, in a few months, reopen the Liberia Marine Training Institute, in Marshall, Margibi County, where renovation is 90 percent complete. This will enable us to train our young Liberians in various maritime disciplines thereby opening the opportunity for placement and employment on Liberian registered vessels.

As the Designated Authority for the International Ship and Port Facility Security (ISPS) Code, the BMA implemented several new security measures at our Freeport of Monrovia. These changes, which ensured that the Freeport now meets international security standards for ports engaged in international trade, mean that Liberia is officially off the U.S. Coast Guard blacklist. The blacklist imposed in 2004 required vessels leaving Liberian ports to undergo additional costly and time-consuming security screenings prior to entering the territorial waters of ISPS compliant ports worldwide. The

BMA also inaugurated the Monrovia Regional Maritime Rescue Coordination Center, which serves as the Communications Center for five West African nations, namely, Liberia, Guinea, Sierra Leone, Ghana and Côte d'Ivoire. Liberia was selected, in October 2000, to host this sub-regional center. We are proud that our Government delivered on this responsibility in March 2009.

**Honorable Legislators**, the net foreign reserves position of the Central Bank of Liberia (CBL) at end-December 2009 was US\$266 million, compared with US\$49.4 million at end of 2008, reflecting in part the allocation of Special Drawing Rights (SDR) by the International Monetary Fund. You may recall, Honorable Legislators, that when this Government came to power, the Central Bank's reserves stood at around US\$5 million. The strategic decision of the CBL to accumulate reserves is in the interest of the national economy. It puts our country in a better position to maintain imports and have a currency that can be seen as a store of value. These elements contribute to a stable macro economy, which is the bedrock of sustained economic growth, increased employment and development.

There are now 8 commercial banks operating in the country, up from 6 a year ago. Guaranty Trust Bank Liberia Ltd. and Access Bank Liberia Ltd. were granted licenses to operate in Liberia, the latter to focus on microfinance in keeping with the Central Bank's objective of increasing access to financial services by economically active low-income earners. The number of active borrowers benefiting from these microfinance services increased in 2009 to 34,636 at end-November, up from 32,286 in 2008 and 15,825 in 2007. This increase was driven largely by the rise in lending to females who account for 86.8 percent of the total microfinance borrowers. It is also noteworthy that there is a 100 percent recovery rate from these low-income microfinance borrowers through Access Bank, which contrasts sharply with the industry average to higher-income borrowers, at 89 percent recovery rate. The CBL has developed a National Microfinance Policy, which will be launched shortly, to add more impetus to microfinance activities. In addition, the CBL, mindful of the importance of financing for the growth of the agricultural sector, has

issued a provisional license to Afriland First Asian American Bank Liberia Limited, which is committed to directing a significant portion of its resources to the agricultural sector.

Total capital of the banking sector increased by 76.9 percent, from about L\$2.6 billion in 2008 to L\$4.6 billion in 2009. This was due largely to the increase in the minimum capital requirement from US\$2 million to US\$6 million at the end of 2008. The minimum capital requirement has been further raised to US\$8 million as at end-December 2009. This is the first significant recapitalization of commercial banks operating in Liberia. This policy is aimed at ensuring that the banking sector is financially safe and sound, capable of meeting systemic risks and responding to the financing needs of the domestic economy. To support domestic entrepreneurship, the Central Bank will work with the banking industry to improve the flow of credit to Liberian entrepreneurs with credible business plans on more reasonable terms. We are pleased to note that in 2009, bank branch networks increased from 28 branches to 55, with banking services now being offered in 9 of the 15 counties, up from 5 counties in 2008. We will continue on this path until all of our 15 counties have access to banking services.

The banking sector continues to make a significant contribution to the recovery of the economy. Total credit to the private sector as a percentage of nominal GDP increased to 15.5 percent during 2009, compared with 13.0 percent in 2008 and 10.1 percent in 2007. Total employment in the banking sector increased to 1,121 in 2009, up from 422 in 2005. Furthermore, in support of economic growth, the CBL is putting in place the mechanism for a Treasury-bill (T-bill) market, which will not only be an additional monetary policy instrument for the CBL, but will also assist Government in meeting its post-HIPC borrowing needs by creating some needed fiscal space to smooth out our expenditure pattern.

The issue of high non-performing loans remains a major challenge for the banking industry, which makes it more imperative for the fast-tracking of procedures to establish a commercial court to help solve the problem of loan default and rebuild a good credit culture in the system. In addition to the establishment of a fast-track commercial court,

the CBL seeks to develop its existing credit reference system and will work with the Bankers Association and other interested parties to establish a credit reference bureau, which should be run by the private sector.

The Liberian dollar exchange rate came under enormous pressure during most of 2009, due mainly to the global financial crisis. The Liberian dollar depreciated by 11.6 percent to 72.44/US\$1.00 at end-September, from 64.93/US\$1.00 at end-January 2009. The weakening of the Liberian dollar against the U.S. currency can be generally ascribed to the slowdown in the rate of workers' remittances, declines in export earnings, and higher market demand for U.S. dollars. However, the CBL has been taking steps to ease the volatility in the exchange rate by intensifying its intervention in the foreign exchange market through increased sale of U.S. dollars to the market. As a result, the Liberian dollar regained almost all of the value lost in 2009, strengthening it from L\$72.44 to around L\$67 per U.S. dollar as of the second week in December. We have seen some depreciation since then, reflecting growing market demand for U.S. dollars during the high purchase holiday season. The depreciation of the exchange rate contributed to a higher-than-expected inflation during 2009, although inflation remained in single-digit, dropping from a high double-digit for most of 2008. Inflation remained relatively low, at 9.7 percent, compared with the average of 12 percent that prevailed in other countries in the sub-region.

It is important to stress two major points: that the fluctuation in the exchange rate is not because of the dual currency regime in Liberia; and that compared with other countries in the sub-region with single currency regimes, the Liberian dollar has not done badly against the U.S. dollar. It would thus be imprudent to fix the exchange rate against the U.S. dollar which could result in parallel market exchange rates that bear no resemblance to the official rate and high inflation.

We are pleased to note that the CBL, on behalf of the Government, took steps towards ending Liberia's self-imposed isolation by applying for full-fledged membership in the West African Monetary Zone (WAMZ). This decision reflects Government's interest in

exploring avenues that would lead to an appropriate and beneficial uniform currency regime for the country.

The Ministry for Planning and Economic Affairs (MPEA) enhanced its role in coordinating development cooperation by focusing on strategic reforms, assertive leadership in aid coordination, communication, monitoring and evaluation, and sensitization and outreach on the implementation of the PRS. Investing in the development of internal capacity is given high priority in the Ministry's three-year strategic plan. A national framework for monitoring and evaluating the PRS and County Development Agendas (CDA) has been developed to support implementation and strengthen reporting and coordination of our development programs.

As a result, development initiatives are being tracked at the sub-district level. To improve PRS reporting in all ministries and agencies, MPEA, with support from the World Bank, conducted a Rapid Results Approach training for line ministries and agencies, and reorganized PRS implementation structure to accelerate delivery. These interventions culminated in an 88 percent implementation rate for the first-year deliverables of the three-year agenda. It should be noted, however, that the high implementation rate in 2009 represented the conclusion of policy deliverables rather than the percentage of programs. Looking beyond PRS and the HIPC completion point, the MPEA is positioning the country toward the formulation of a long-term national development agenda which includes a medium-term development strategy tied to the medium-term expenditure framework. The achievement of this objective will hinge on the optimum utilization of resources and the possibility of future concessional borrowing for long-term development.

Given the importance of donor resources to the implementation of our national development agenda, MPEA has been actively engaged in mobilizing and reporting on aid flows, and is working closely with the Ministry of Finance and other stakeholders to develop an aid management strategy in 2010.

## *AGRICULTURE*

**Mr. Speaker, Honorable Legislators,** there is no doubt that growth in the agriculture sector is more effective in reducing poverty than effort in any other sector. We will thus place emphasis on the sector both in terms of food security and exports in the remaining period of the PRS. Our policy goal in the sector is to revitalize operations and activities that contribute to sustainable economic growth and development; to provide food security and nutrition; and to increase farmers' employment and income – thereby measurably reducing poverty.

As a result of Government's "Back to the Soil" National Campaign, food production, especially of rice, cassava and other staples increased tremendously. Reliable data is still being collected; however, preliminary figures show rice production of 200,000 metric tons, a 30 percent increase over previous periods. The increased production is contributing to food needs, and farmers that have production beyond their subsistence and replanting requirements are reaping economic benefits through the sale of their crops. The World Food Programme (WFP), for the first time, is purchasing locally-produced rice for use in its Liberia school-feeding program. Under current arrangements, an initial 1,000 metric tons will be purchased for this purpose. The U.S. Government has been very instrumental in supporting our effort at this breakthrough.

Toward the achievement of our policy goals, we worked with our development partners, who have provided technical and financial assistance in a coordinated response to mitigate the effects of global soaring food prices. Our programs have trained 30,397 farmers in new farming methods; and provided 15,000 vulnerable farmers and 169 farmer groups with seed rice. Additionally, 64 farmer groups were trained in fish pond development and management; 73 Ministry of Agriculture staff were trained in national crop survey methods and 43 rural women groups from Nimba, Bong and Lofa trained in improved rice production techniques and power tiller operation. On completion of training, they were provided with power tillers for use in their counties. Women from Zubah Town, Paynesville, received similar training with focus in peri-urban agriculture

rice production, and they, too, received power tillers. The response of farmers to our effort was clearly demonstrated by the huge amounts of food displayed and sold at the “Made in Liberia” Trade Fair held in Robertsport in December.

The Ministry of Agriculture successfully negotiated, and received approval of, US\$39.4 million from our international partners for programs relating to agricultural sector rehabilitation, fisheries development, elimination of trans-boundary diseases, feeder road rehabilitation, school feeding, schistosomiasis clean-up in rice production areas, construction of a livestock training center and a technology demonstration center. In addition, a large group of farmers around the country benefited from an additional 37 rice mills and 23 cassava processing units. We made significant progress in the reactivation of 31 farmers’ cooperatives and 108 farm-based organizations. A food security monitoring system is being put into place for the early detection of a food crisis. We are also pleased to announce that the *Achaea* caterpillar, which devastated crops in parts of Bong, Lofa, Gbarpolu and Nimba Counties, was contained last March with grant funding of US\$1.15 million from the African Development Bank, ECOWAS, and USAID. With the same funding, measures have been put in place to provide rapid response in case of a reoccurrence of this or other trans-boundary diseases.

Revitalization of our traditional rubber industry remains critical to the long-term growth of our agriculture export sector. During the year, production at 36,428 tons of block rubber and 15,278 tons of latex concentrate declined further to 28,497 tons of block rubber and 12,135 tons of latex concentrate, due to continuing low yields from old and damaged trees and a decline in demand as a result of the global financial crisis. Ongoing replanting programs by Liberian farmers and by the large concessions should put us on course for production increase within five years. Revitalization of the industry will be guided by the Liberia Rubber Industry Master Plan 2010-2040: A National Agenda for Rubber Sector Development, which was prepared and validated by the Ministry of Agriculture in collaboration with stakeholders. The plan emphasizes the need to resuscitate and reverse the declining production trend of our traditional rubber sub-sector to increase production and export volume. Importantly, Liberia implemented the

Comprehensive Africa Agricultural Development Program (CAADP) – an African-led growth strategy, in which all stakeholders participated and endorsed the Liberia Agricultural Sector Investment Program, and declared their commitment through the signing of the CAADP Compact. Liberia is among 17 African countries that have signed the Compact.

We have also sought to revitalize the cocoa and coffee industry. To this end, Government abolished the US\$10,000 annual licensing fee charged by the Liberia Produce Marketing Corporation (LPMC) to all cocoa exporters. Statistics show that there were 19,577 cocoa-producing households and 9,504 coffee-producing households, many of whom were assisted and trained. Special arrangements made with the Ghana Cocoa Board provided 3 million cocoa seedlings for immediate planting by Liberian farmers. Approximately 7,470 metric tons (MT) of cocoa were produced in Liberia during the 2008/2009 season, and 4,520 MT of processed cocoa were exported through the Freeport of Monrovia during the 2008/2009 cocoa season. It is estimated that 2,950 MT were sold from mainly Lofa, northeastern Nimba and eastern Grand Gedeh Counties, through informal cross-border trade to traders/exporters from/in Guinea, Sierra Leone and to some extent Côte d'Ivoire.

To further stimulate the industry, we removed geographical restrictions to create a level playing field for competition among cocoa/coffee buyers by permitting new licensed or buying agents to compete in any producing counties based on the price and services to farmers. The result is that cocoa prices increased by an average of 28 percent from the 2007/2008 to 2008/2009 seasons and 52 percent from the 2008/2009 to 2009/2010 season. During the same period, their percentage of world market price has gone from under 30 percent to an average (all grades) of 58 percent. Since Liberia's FOB (export) prices tend to be lower than world prices, it's clear that farmers are now receiving well over 60 percent of average FOB price comparable to other West African countries.

The Ministry of Agriculture, LPMC, partners and Cooperative Development Associations (CDAs) have jointly developed new grading standards and new registration

requirements for Liberian cocoa exporters to ensure equivalence to international standards and to promote production of higher quality cocoa with premiums paid for quality to farmers and other value-chain actors.

Currently, the Ministry of Finance is reassessing fees that are paid by exporters and the services they receive, realizing that a combination of charges levied by BIVAC, Ministry of Finance and LPMC tend to reduce returns to exporters and farmers.

As a result of the several steps being taken by Government, the informal exportation of cocoa to our neighboring countries has reduced drastically by 41 percent as compared to 2007/2008, recording a reduction from 5,000 MT to 2,950 MT. Additionally, export has also increased from 3,000 MT in 2007/2008 to 4,520 MT in 2008/2009, recording a 51 percent increment.

The Liberian cocoa and coffee sectors ranked second to rubber in export earnings prior to the civil crisis. Our main objective as a Government is to improve farming methods and provide improved farming materials to farmers to increase productivity and restore these sectors to their pre-war status. Government seeks to establish a national database on productive and effective farmers' associations and cooperatives.

I am pleased to report that after several months of negotiations spearheaded by the Minister of Agriculture, on January 1, 2010, Sime Darby Berhad, a Malaysian company, took control of the Guthrie Plantation, commencing the US\$847 million investment for the cultivation of rubber and oil palm in Bomi, Bong, Cape Mount, and Gbarpolu Counties. Over the next 10 years, the company will cultivate 220,000 hectares (550,000 acres) of these tree crops and is expected to employ 22,000 Liberians with assistance to outgrowers over an area of 40,000 hectares, and with measurable social benefit in the areas of education, health and housing. A process of dialogue and negotiation is under way for similar investment by the Indonesian firm Golden Veroleum for the southeastern counties of Maryland, Grand Kru, Sinoe and River Gee.

*Forest Development Authority (FDA)*

**Honorable Legislators**, as I indicated in my Annual Message last year, the forestry sector represents one of Liberia's greatest assets. Our total forestry land area of 9.58 million hectares represents over 40 percent of the biodiversity in our sub-region, and one of the 36 hot spots in the world with diverse plant and animal species and 204 timber species. The sector has been slow in meeting its performance and revenue targets due to the difficulties experienced by both the Forest Development Authority (FDA) and potential foresters in meeting the requirements of the new Forestry Law.

The National Forestry Reform Law of 2006 requires the establishment of a Protected Forest Areas Network, together with conservation corridors, to cover at least 30 percent, or 1.5 million hectares, of existing forested area in Liberia. About 4 percent of that Network is contained in two protected areas, namely the Sapo National Park and the East Nimba Reserve. To reach our nation's 30 percent goal, I joined President Ernest Bai Koroma of Sierra Leone in March 2009, in launching the Across the River Peace Park for Liberia and Sierra Leone. The Peace Park, which is to be built in Leilahun, Kenema District, in Sierra Leone, and includes 420,000 hectares of Liberia's forests, will be funded by the European Union. The Peace Park will stand as a memorial of the long years of conflict in both of our countries, and aims to provide security zones through which no armed conflict can be waged. The draft Act for the Lake Piso natural reserve has been drafted and will be submitted to the National Legislature very shortly.

During the year, the FDA issued 4 Forest Management Contracts (FMC) and these were ratified as concession agreements under the National Forestry Reform Law. This involved the allocation of 1 million hectares of forest land under transparent and competitive procedures. About 980,000 hectares were allocated, with one license issued for the sustainable management of from 50,000 to 400,000 hectares of forest for a 25-year period. Approximately 772,303 of the 1 million hectares allocated under ratified FMCs were awarded to companies in the southeast, designed to bring economic relief to a region where jobs are scarce. FMC covering 207,696 hectares of forests in Gbarpolu, Lofa, and Rivercess Counties have met the pre-harvesting requirements, enabling the companies to start the process of building infrastructures, such as roads,

bridges and camps, to commence harvesting the timber. About 20,000 hectares were issued as Timber Sales Contracts (TSCs), with a license for 5,000 hectares for three years, designed for Liberian entrepreneurs. The companies, located in Grand Bassa, Bomi and Gbarpolu Counties, have started timber production. A small shipment of 105 cubic meters of logs last November represented the first export of timber since UN sanctions were imposed in 2003. The forestry sector's contribution to Government revenue is in the form of land rental payment, 60 percent of which is earmarked for community and county benefits. The aggregate amount due for rental of the 1 million hectares allocated is \$12.5 million, or \$12.50 per hectare. A report by the Panel of Experts of the UN Security Council, which suggests breaches in processes and criteria relating to recent award of contracts, is being investigated for corrective action.

Climate change poses the greatest threat to our development in this century, a phenomenon that demands our highest attention. We have, therefore, been fully engaged and represented at the various global negotiations on climate change, culminating in the United Nations Conference on Climate Change, held in Copenhagen, Denmark, last December, which the Vice President attended and underscored Liberia's position on balancing the need to preserve our forest against our development requirements. Here at home, we have seen the destruction climate change brings in the increasing exacerbation of coastal erosion, abnormal floods, an invasion of caterpillar worms because the rain arrived or ended too late, and decreasing agriculture yields in some areas.

**Mr. Vice President, Honorable Legislators,** during the past year, we experienced a slowdown in investment activities in the mining sector due also to the global economic downturn. Work on reactivation of the Yekepa mines continued but at a slow pace in both Yekepa and Buchanan, which led to a reduction of employment in the workforce. The reactivation of Bong Mines, under the ratified China Union agreement, did not commence as anticipated. This had a negative effect on revenues and employment.

However, I am pleased to report that we are off to a good start in 2010. Activities in Yekepa and Buchanan are picking up, and Arcelor Mittal has confirmed to me that Liberia remains a prioritized country, with added benefits from an arrangement between Arcelor Mittal and BHP Biliton for harmonized activities in the iron ore mining sector in Liberia and Guinea. After negotiations, which led to the Government of China taking a majority share in the investment, reactivation of Bong Mines by China Union is now set to commence as soon as you have ratified an amendment to the Concession Agreement as regards the change in ownership.

We have finally come to closure on the concession bid for the Western Cluster Iron Ore Deposits. The Cabinet has approved the IMCC recommendation to start negotiations with Elenilto Mineral and Mining Ltd. of Israel, following evaluation of three bids by the Inter-Ministerial Mineral Technical Committee. Based on the model MDA, three Mineral Development Agreements have now been signed based on the model Mineral Development Agreement which standardizes terms and conditions consistent with our mining and mineral laws. These are the Western Cluster; amendment to the Bong Mines MDA (China Union); and the BHP Biliton concession for the Putu Iron Ore Deposits (PIOM). After Executive review and approval, these will be forwarded to you for ratification. A National Mineral Policy has also been completed. Small-scale mining cooperatives in Smith Town and Barteh-Jam have been formed to help small miners benefit from their mining activities and reduce negative environmental impact in those communities. Staff of the Ministry of Lands, Mines and Energy have completed training on the operation of the Mining Cadastre Information Management System.

During 2009, the Ministry of Lands, Mines and Energy (MLME) issued 48 Kimberly Process Certificates covering the export of 18,000 carats of diamonds valued at US\$7.4 million. This brings to 132 the certificates issued, valued at US\$19.95 million, since the sanctions on diamonds were lifted in 2007. Government's share in the form of royalties at some US\$600,000 is much too low, requiring a revisit of the laws and policies both here and in our neighboring countries to ensure better benefit to our country from this depletable resource. I should also mention that the Executive must examine the

reasons behind the recent UN Panel of Experts report that indicates a weakening of our resolve to meet the requirements of the Kimberly scheme.

Gold exploration takes place in several of our counties, particularly Gbarpolu, Lofa, River Gee, mainly through small-scale mining cooperatives and individuals, many of whom are illegal aliens. The Ministry of Lands, Mines and Energy has created a National Mineral Policy and Model MDA in which standardized terms and conditions are made consistent with our mining and revenue laws. These instruments will ensure more transparency and accountability in mining operations. There are currently 6,000 Class C, 15 Class B and 1 Class A licenses issued by the Ministry for exploration of mining activities throughout the country.

I am pleased to report that the restoration of electricity in Monrovia is progressing. Building on the slogan of “*Small Light Today, Big Light Tomorrow*,” we upgraded the distribution network and added new customers in Paynesville and extended new services on Bushrod Island. We doubled the capacity of the power in the Congo Town area from 1 to 2 megawatt (MW). In all, 27 kilometers of transmission and over 20 kilometers of new distribution lines were built, 100 street lights installed, and over 700 new customers connected. Our objective, in power restoration in Monrovia, is to double, in 2010, the existing 10 MW of diesel power in the system. Toward this end, the procurement process for 10-12 MW of new power generation has already begun. Commitment made for the associated transmission and distribution infrastructure to ensure that power reaches a larger number of consumers – clinics, businesses, especially small businesses, homes and offices.

A US\$18 million European Union-funded project for rehabilitation of the transmission around the City of Monrovia is well under way and will be completed by April. The 22 kV medium-voltage distribution component of this project is also near completion. It includes a 3.6 km line from Lynch Street to Capitol Hill to 3<sup>rd</sup> Street, bringing relief to all of us who work on this historic Hill; a 6.4 km line from LEC, Bushrod Island to Vai Town;

a 4.5 km line from Stockton Creek to New Georgia Junction; and a 6 km line from GSA Road junction through Congo Town Back Road to the New Defense Ministry.

Additionally, the Government of Norway has provided US\$12.6 million for what is referred to as the Distribution Gaps Project. This project, now in the procurement phase, will close up gaps in the Monrovia distribution network that includes Freeport junction to Red Light, the ELWA-RIA Highway, and other critical areas essential to a more fully integrated electricity network and exhibiting desirable economic and security benefits. This Gap Project is expected to be completed in the second quarter of this year. A bilateral agreement for a USAID-funded solar project should lead to the installation of solar street lights and solar home systems. The cross-border project of the West Africa Power Pool which I reported last year, is well under way to bring electricity from Côte d'Ivoire to 18 of our communities in Maryland, Grand Gedeh and Nimba Counties by early next year.

As we vigorously restore and expand electricity in Monrovia and its environs, we cannot and will not forget about the need for modern energy access in the rural parts of our country. The National Energy Policy is clear on our policy for energy access in rural Liberia. In order to utilize a US\$3 million grant from the Dutch Government for renewable energy in rural Liberia, we issued Executive Order No. 23 to establish the Rural and Renewable Energy Agency (RREA) pending your review and approval of the draft Act. Some of the funds will go towards a mini hydro pilot project in Lofa County. Studies are under way to install mini and micro hydro, biomass, wind and solar projects in other areas around the country.

We are clear, however, that Liberia's long-term power solution lies in the utilization of our tremendous water resources for hydro power generation. Our objective is to commence, within the next year, the rehabilitation of the Mt. Coffee Hydro Power Plant. Under a grant provided by the U.S. Trade and Development Agency, a feasibility study has been completed which estimates that US\$165 million will be required to bring Mt. Coffee to pre-war capacity of 64 MW. To ensure year-round sustainable, reliable and

affordable electricity in the long term, we must go beyond the rehabilitation of Mt. Coffee to full development of the upstream Via River which will result in realizing the 1,000 MW potential of the St. Paul River basin. This project is important for the power needs of the mining concessions and to Liberia's connectivity and contribution to the West African Power Pool (WAPP) program.

The past year witnessed a decline in the prices and supply of strategic commodities as a result of the aggressive measures that were put in place by the Ministry of Commerce and Industry to encourage competition, especially among importers of rice and cement. Three new importers of rice and four new importers of cement were approved, vastly increasing the supply of those commodities and, thereby, reducing their prices. The situation was helped further when the Government received a first consignment of 8,612 metric tons of rice under a grant from the Government of Japan. Consequently, rice price decreased from a high of \$35 to \$27, and now sells at between \$22 and \$25. Proceeds from the sale of the Japanese rice, estimated at US\$3,262,892, is in a dedicated account at the Central Bank for support of agriculture projects that will be agreed by the counties. Similarly, cement prices dropped from a high of \$16 and now sells at around \$8 to \$8.50 a bag. The beneficiaries have been the consumers, who fare better when there is a vibrant and competitive market. The Government is now considering a move away from the issuance of Import Permit Declarations, thereby shifting from price control to monitoring with a focus on the supply side to ensure availability and affordability of essential commodities on the local market.

The significant progress made in implementing the PRS's economic revitalization pillar enabled Liberia to score an encouraging mark on "Doing and Starting Business" both regionally and internationally. In the "Ease of Doing Business" category, we ranked 149 in 2009/2010 as compared to 170 in 2008. Furthermore, in "Business Start Up," Liberia ranked 57 in 2009/2010 as against 88 in 2007/2008. Liberia also ranked among the top 10 reformers in the world in 2008/2009. As our reforms become fully implemented, we expect to score even higher on these indices.

Total exports (FOB) for last year are estimated at US\$500 million, which were exceeded by imports estimated at US\$700 million, resulting in a negative trade balance. The global economic downturn, which affected the import and export sub-sectors of the economy, is expected to ease as the reform measures instituted for the forestry and mining sectors help to reverse this negative trend. To meet the challenges in facilitating trade on the domestic market, and to stem the influx of substandard goods into the domestic market, we are working to align the activities of the Pre-shipment Inspection Program to those of the Commerce Ministry's regulatory and monitoring functions as it relates to imports.

Liberia continues to have an underdeveloped industry sector which in 2009 accounted for only 11.8 percent of GDP. Data available show that there are 217 registered industrial establishments operating in the country, with a total of 17,364 employees. Liberian participation in the sector totals 104 medium and small industries in 11 areas: food processing, mineral water, chemicals, metal products, commercial printing, block-making, furniture-making, telecommunications, beverages, hotels and tourism, and mining.

The Government is laying the foundations for deeper industrialization through direct foreign investment in the mineral, forestry and agricultural plantation sectors. The Ministry is finalizing an Industrial Policy and preparing an Industrial Directory, which will provide data on industries operating in Liberia and products manufactured in the country. The Ministry is also in partnership with the International Trade Centre (ITC) to develop a National Export Strategy aimed at adding value to a select number of products, so as to penetrate foreign markets.

We are pleased to report progress in Liberia's accession to the World Trade Organization (WTO), as measures are put into place to prepare the Memorandum on Foreign Trade Regime (MFTR). Also, having fulfilled the pre-conditions set by the World Intellectual Property Organization (WIPO) for endorsing Liberia's Intellectual Property Development Plan (IPDP), Liberia became eligible, and has now deposited with WIPO

the Instrument of Accession to the Madrid Protocol for the International Registration of Marks and a party to the Africa Regional Intellectual Property Organization (ARIPO) protocol, which offers protection and promotion of intellectual property within the African region.

The Ministry of Labor has concluded a draft Labor Code which came out of a robust process of stakeholder consultations. The National Workplace Policy on HIV/AIDS was concluded and is being fully implemented. With all preparatory work completed and the exercise fully funded by partners, the Ministry is poised to launch, within the next few weeks, the first labor force survey. The Ministry also convened the first National Labor Conference in post-conflict Liberia to deliberate on the final draft of the Decent Work Bill, which will be submitted to your Honorable Body for passage into law.

During the year in review, we launched the Liberia Employment Action Program (LEAP) which, in collaboration with its partners – LACE, UNMIL, USAID and the Liberia Rubber Planters Association – provided over 60,000 short-term jobs for select citizens. This initiative succeeded the Liberia Emergency Employment Program (LEEP) which created more than 10,000 short-term jobs. In December, with funding of US\$ 40,000 contributed by the Lebanese Cultural Union, US\$25,000 by the Indian community, and US\$290,000 received from four government entities – Central Bank of Liberia (CBL), National Social Security Corporation (NASSCORP), National Oil Company of Liberia (NOCAL) and National Port Authority (NPL) – we launched the Liberia Jobs and Opportunity Initiative that aims at creating 8,000 labor-intensive short-term jobs over the next six months, and specifically targeting our youth.

The Ministry issued regulation No. 17, 2009, to regulate alien employment permits, thereby setting the conditions for the employment of non-Liberians by ensuring that preference is given to Liberians who are equally qualified for positions for which work permits for non-Liberians are sought. The business community has expressed serious concern over this regulation, which calls for significant increase in the charge-for-work permits as well as immediacy in application of the principle of preference for Liberians.

Although some businesses have complied fully with the regulation, others continue to claim that it is too stringent and untimely. The Ministry has been instructed to continue to dialogue with the Chamber of Commerce and the Liberian Business Association to reach a consensus on an appropriate compromise.

We are pleased to report continuing progress in our oil exploration programs, although we are only at phase 3, Data Processing and Analysis, of an 8-phase program which delivers the final product. During the year in review, the National Oil Company of Liberia (NOCAL) spearheaded the effort that led to conclusion of negotiations and ratification of Production Sharing Contracts with Anadarko, Hong Kong Tong Tai, and Oranto who were successful in the Second Bid Round for licensing of offshore petroleum exploration blocks. Having ensured that 10 of the 12 oil concession blocks were operational, NOCAL launched the Third Bid Round for the remaining 5 vacant offshore blocks in the southeast, each covering approximately 3,000 sq.km from the coastline to about 3,000 meters water depth. This third round of bidding is scheduled to conclude this month. NOCAL advises that, as oil exploration becomes more attractive for Liberia, it is in our best interest to make the necessary research, documentation, and presentation, in accordance with international standards and the UN Convention on the Law of the Sea, to enable Liberia to qualify for the extension of its international territorial water limits from the current 212 miles to 350 miles offshore. Liberia is also partnering with Sierra Leone under a regional project supported by Norway, to ensure a collaborative effort in oil exploration.

**Honorable Legislators**, during the past year, with tremendous effort on the part of all, we have been able to mobilize aggregate investment of over US\$10 billion for activities in our mining, agriculture and forestry sectors. The National Investment Commission (NIC) received investment incentive applications for projects valued at some US\$119 million, consistent with its target of attracting a minimum of US\$100 million investment per annum. The proposed investments implied job creation potential of 1,500 jobs. Of the 19 proposals received, 11 were processed and approved with an investment size of

over US\$36 million and the potential to create 810 jobs. Investments are concentrated in the areas of light manufacturing, agriculture, processing and services.

The bulk of the investments reported upon in last year's review continue to make progress. Two issues continue to hamper the short- and long-term success of the US\$30 million Ducor Hotel Redevelopment Project: the removal of squatters and other occupiers from the premises; and acquisition of land, in perpetuity, from the J.J. Roberts Educational Foundation of the First United Methodist Church which claims ownership. Similarly, the Gbarnga Rubber Processing project was delayed due to land issues that have finally been resolved.

We are disappointed to report that the OPIC/Robert L. Johnson US\$30 million loan facility to support Liberian businesses has not met our expectations. Less than 20 percent of this amount was extended to less than a dozen Liberian entities, the majority of whom have failed to meet their obligations. Our weak judicial system imposes a constraint in moving new management and technical assistance through a Soros Foundation initiative, Business Development Services, which should lead to better performance of this important initiative.

**Honorable Legislators**, in order to stimulate private investment and make public corporations more efficient and responsive, we have completed a revision of our Investment Code, which is awaiting passage by the National Legislature. We have also streamlined the business registration process, reducing the steps from 51 to 9. This streamlined process improved our ranking on the World Bank Report for Doing Business. The National Investment Commission (NIC) is reoriented to become an investment promotion or marketing entity. A Small & Medium Enterprise (SME) support unit, established to help strengthen the private sector, is now transferred to the Ministry of Commerce and Industry with NIC support. Review of the activities of public corporations, to determine which ones need to be privatized, is still ongoing; however, management contracts are being negotiated for the Roberts International Airport (RIA), the National Port Authority (NPA), and the Liberia Electricity Corporation (LEC).

The lack of financial and human resources has constrained the capacity and performance of the Liberian Produce Marketing Corporation (LPMC). Under a reorganized Board and reconstituted management, significant progress was made during the past year to stimulate the production of cocoa and coffee, which are traditional areas of concentration by LPMC working with the Ministry of Agriculture. Some emphasis was placed on rice production, exemplified by the installation of a major rice mill in Gbarnga. LPMC plans to install similar facilities in Voinjama and Zwedru.

Guided by the LPMC, Liberia was readmitted into the International Coffee Organization (ICO), following its signing and ratification of the 2007 International Coffee Agreement, thereby qualifying Liberia to be a shareholder in the US\$80 million allotted by the ICO for the promotion of coffee production in member countries. Liberia's participation in the General Assembly of the Inter-African Coffee Organization (IACO) led that body to offer technical and financial assistance. We must make all efforts to settle our outstanding membership dues and contributions to the IACO and the ICO.

### **Pillar III: Governance and the Rule of Law**

Under the governance sub-pillar of the PRS, our Government is committed to delivering to the Liberian people an improved system of governance that is more localized and more responsive to the needs and aspirations of its citizens. The Ministry of Internal Affairs commenced the process of fiscal decentralization which will continue consistent with the installation of financial management systems in the offices of the County Superintendents. The draft Decentralization Policy for Liberia promotes devolution of political, administrative and fiscal powers from national to local governments. A number of boundary disputes that could have challenged the decentralization process and other reform measures were resolved through consultations with the many stakeholders, including Legislators, County Superintendents and Chiefs and Elders of affected communities. Five disputed areas of focus are: Rivercess-Sinoe, Rivercess-Nimba,

Bong-Gbarpolu, Gbarpolu-Bomi and Bomi-Montserrado. The disputes were largely resolved, thereby facilitating a demarcation of the boundaries.

Liberia was provided US\$15 million from the UN Peacebuilding Fund for peacebuilding activities, including the strengthening of Government institutions and programs. The Ministry of Justice, the Land Reform Commission, and the Liberia Anti-Corruption Commission were among the beneficiaries of these funds. With the rehabilitation of the Harper, Maryland County, City Hall completed, we can proudly say that County Administrative Buildings have now been rehabilitated or constructed in all 15 counties. With support from the Liberia Peacebuilding Office, 10 Peace Huts were constructed in four western counties – Gbarpolu, Bomi, Grand Cape Mount, and Margibi. The goal is for 33 Peace Huts, which will be used as conflict resolution mechanisms, as well as a structure for social cohesion amongst communities faced by tensions.

The Government continues to make progress in redefining the mandates of public institutions, and in developing a comprehensive strategy focused on strengthening the pillars of integrity, including the General Auditing Commission (GAC) and the Liberia Anti-Corruption Commission (LACC).

The Governance Commission (GC) continues to provide leadership in our good governance reform work by advising, designing, and formulating policies and institutional arrangements and frameworks for achieving good governance and promoting reforms, efficiency, and transparency in the Liberian public sector.

Achievements highlighted by the Governance Commission during the year in review include work leading to the establishment of the Law Reform Commission and the Land Commission, both of which are now functional. In building a system of national integrity, the Government has undertaken several strategic measures to fight corruption including: the establishment, in August 2008, of the Liberia Anti-Corruption Commission (LACC); and the Whistleblower Protection Act. This Act, which I signed as Executive Order No. 22 in December, pending legislative action, is aimed at encouraging

disclosure about misconduct while providing legal protection to anyone who reports on impropriety in the public or private sector.

The Governance Commission has also formulated the framework for reform in mandates, missions, functions and organizational structures of Government ministries. It is clear that given the constitutional nature of the measures to be introduced by these institutions, constitutional reform will be necessary. Toward this end, a Constitutional Reform Task Force was established. The Task Force's approach to constitutional reform will include identification, profiling and consolidation of all constitutional issues in current government reform entities; conducting rapid consultative dialogue leading to the holding of a national conference in constitutional reform; and drafting constitutional-related legislations for consideration by the Executive and the Legislature. The Governance Commission also led the process leading to the Public Sector Reform Policy Strategy, which was approved by the Cabinet after the input of a robust Stakeholders' Consultative Forum.

The Liberia Anti-Corruption Commission (LACC), established by an Act of the Legislature in August 2008, has a broad mandate to implement appropriate measures and undertake progress geared toward investigating, prosecuting, and preventing acts of corruption, including educating the public about the ills of corruption and the benefits of its eradication. A three-year plan of action, under review by stakeholders and partners, will enable them to carry out this mandate. With support from the Peacebuilding Fund, LACC, with validation from stakeholders and partners, has formulated five internal policy instruments and launched a nationwide anti-corruption awareness and sensitization campaign. Although severely limited in investigative capacity, LACC has ongoing investigation of six corruption cases. One of these investigations, involving the Liberia Telecommunications Authority, has been referred to the Ministry of Justice for prosecution.

Recommendations resulting from assessment visits by the former head of the Nigerian Economic and Financial Crime Commission, Mr. Nuhu Ribadu, who consulted with you,

will assist the work of the LACC. Similar support is expected from the TIRI, an international integrity promotion agency supported by the Soros Foundation which undertook a similar assessment mission.

For the first time in the history of our country, public officials are required to declare income assets and liabilities for submission to the LACC. I have required all officials of the Executive Branch to comply with this legal requirement, and we ask, Mr. Speaker and Mr. President Pro Tempore, that you continue to demonstrate leadership in this fight against corruption by influencing the membership of the Honorable Body to join the few among you who have done the same.

Finally, **Honorable Legislators**, because of the lack of adequate capacity, the judicial system has sometimes proved less effective in our anti-corruption drive, thereby bringing the Government under criticism. We will strengthen the LACC to freeze assets of persons being investigated, or prosecuted, or convicted for acts of corruption, without prejudice to the statutory requirements of prior warrant issued by a court of competent jurisdiction.

In its fight against corruption, the Government of Liberia continued to support the work of the General Auditing Commission (GAC), which has produced 25 audits, including the first set of audit reports of five Ministries – Finance, Public Works, Education, Health, and Lands and Mines – as required by our debt relief HIPC program. This is the first time in the history of Liberia wherein audits are sent to the National Legislature and are publicly distributed, which is a major demonstration of this Government's commitment to fight corruption. The bulk of these audits have been reviewed by me and forwarded to the Ministry of Justice for prosecution where applicable.

The audits have provided a broad understanding as to the systemic problems and challenges that the Government inherited and the need for line ministries and agencies to put into place better systems and controls. I am informed that, as pilot projects, the

GAC is currently working with the leadership and officials of the Liberian Senate and the Judiciary to put into place better systems and controls.

The GAC also provided technical inputs into the Public Financial Management law, in the adoption of the international public sector accounting standards, and is one of the key stakeholders in the full implementation of the Integrated Financial Management Information Systems (IFMIS).

With financial support from the U.S. Government, and in collaboration with the Civil Service Agency and the Ministry of Finance, the GAC has begun to audit the payroll of the Ministry of Education, an exercise which in Montserrado County has removed 329 ghost names, which is equivalent to annual savings of about US\$324,000. Similar audits of the payroll of the Ministry of Education in Margibi and Bomi Counties are nearing completion and other audits will continue for the remaining counties.

The main international partner supporting the GAC is the European Union, whose support has led to the capacity-building efforts at the GAC, wherein more than 360 personnel have been recruited and trained. In addition to the EU, capacity-building funding has been provided by the World Bank and the Swedish National Audit Office. Supreme audit institutions from Ghana, Zambia and other English-speaking African countries have also provided manpower support to the audits.

While we continue to appreciate the work and performance of the GAC, I have told the Auditor General that he needs to reduce the level of high media profile which has resulted in continuing controversy for the institution.

An Act establishing the Liberia Extractive Industries Transparency Initiative (LEITI) was approved by the Legislature on July 10, 2009, thereby giving full legal status to this important initiative of Government. Within the relatively short period of its existence, including a presidential proclamation issued in September 2008, LEITI has become a leader in EITI implementation worldwide. It is recognized globally for its rapid implementation progress, and for its extended scope that includes the forestry and

agriculture sectors – the first and only country in the world to do so. Liberia opted to include these two sectors in order to increase transparency across the country's main export earners. In recognition of LEITI's rapid progress and other distinctive achievements, the international EITI Board honored Liberia with the "Best EITI Implementing Country" Award at a ceremony held in Doha, Qatar, in 2009. This was followed by a visit, in October, by EITI's Chairman, Mr. Peter Eigen, who announced Liberia as the first African country to become EITI compliant. We commend Counselor Negbalee Warner and his colleagues for this achievement.

**Honorable Legislators,** our governance reforms will be greatly enhanced by your passage of the public integrity-related bills that have been pending before you for a protracted period of time, namely, the Code of Conduct, the Freedom of Information Act, and the Corrupt Offenses Act. Significant improvement in the practices of bad governance that has plagued our country from its very beginning will be our collective legacy.

Good civil servants serve the Government of the day. They implement government policies and ensure effective and efficient service delivery to the people. Civil servants are expected to perform these functions regardless of their own political persuasion or the ideology of the government in power. As a result of this guiding principle, our Civil Service Reform continues to be focused on merit-based appointment, the de-politicization of the civil service, capacity building, effective service delivery, by the nearly 30,000 men and women in the Civil Service.

We have successfully recruited 99 of the 100 professionals needed for our Senior Executive Service (SES), a program supported by Government and partners which provide a higher level of compensation as an incentive to attract the required technical capacity our work. These highly skilled Liberians are deployed in all 15 counties and in most ministries and agencies, particularly those responsible for the key deliverables of our Poverty Reduction Strategy. It is important to note that over 80 percent of these SES personnel were recruited from right here in Liberia thus dispelling the unfounded

perception that there is no talent in Liberia and that we have had to rely solely on the Diasporas to find qualified Liberians to work in the public service.

In our effort to improve financial management and accountability in the public service, we graduated and deployed two sets of students – for a total of 50 – from our two-year Financial Management Training Program funded by the World Bank. The third batch of 30 is currently in training, and consideration is being given to deploying 15 of them as County Financial Officers, to improve the capacity of our local government officials in sound financial management practices and to support Government’s decentralization program.

Pay and incentives for civil servants continued to increase this period, with special emphasis on teachers and healthcare workers. Certified teachers and healthcare workers now earn a minimum salary of US\$100 per month, which is six times more than what they were earning in 2006. The Biometric Identification System for all public sector employees is making steady progress, and the CSA is on schedule to deliver a “clean list” of government employees by the end of March

After a full year of work and consultation, the Cabinet has approved a Medium-term Pay and Grading Strategy for the Civil Service that is to go into effect in the next fiscal year. The new pay and grading structure is designed to ensure that those in similar grades get equal pay for equal work. It also guarantees promotion and reward for civil servants who do good work through a transparent performance appraisal system. It is important to emphasize that as of the next fiscal year, pay and incentives for civil servants must be tied to performance.

Two other special programs have raised much public concern. The TOKTEN program, sponsored and managed by UNDP worldwide, is designed to attract nationals into public service. It recruits from both the domestic and Diaspora human resource markets and pays salaries ranging from US\$2,500 to US\$3,500. At least 42 Liberians have benefited from TOKTEN. The Liberian Emergency Capacity Building Support Program

(LECBS), supported by the Soros Foundation, is an initiative introduced by my personal effort. The program provides a topping off of government compensation to provide an incentive for those specifically recruited or retained for their special skills, experience and performance. Thirty-three Liberians from home and abroad are currently benefiting from this program. All of these special programs will be integrated into the new civil service compensation system commencing in the next fiscal year.

The Public Procurement and Concessions Commission (PPCC) was established in 2005 as a distinct corporate entity to oversee all public procurement and concessions processes in accordance with the Public Procurement and Concessions Act of 2005. The Commission has the core objective to achieve transparency in the procedures, processes and decisions relating to procurement and concession agreements, and to ensure “value for money” through the economic and efficient use of public funds.

During the period under review, the Commission finalized and issued the Public Procurement and Concessions Regulations and Implementation Manual as part of the requirement for the HIPC completion point. The regulations enhance clarity of the PPC Act while the manual makes the procurement and concessions processes simple and easy to follow. The Commission also conducted a series of workshops to build the capacity of procurement practitioners of the various procuring entities at the national and local levels.

We are sad to report the untimely loss of the PPCC Chairman, Honorable Keith K. Jubah, on November 1, 2009, at his home on the Morris American Rubber Company (MARCO), Kakata, Margibi County. I wish to repeat the vow that those who committed this gruesome murder will, after due process, face the full weight of the law.

The conduct of free, fair, and transparent elections, a hallmark of good governance, remains the focus of our National Elections Commission (NEC). During the reporting period, NEC conducted two senatorial by-elections, occasioned by the death of Hon. Isaac N. Johnson, Junior Senator of River Gee County, and by the death of Hon.

Hannah G. Brent, Junior Senator of Montserrado County. The River Gee contest, held last February, was won by Honorable J. Nathaniel Williams of the Liberia Destiny Party (LDP). The Montserrado by-election, held in November, was won by Honorable Geraldine Doe-Sheriff of the Congress for Democratic Change (CDC). That particular by-election posed tremendous challenges to the Commission owing to the large number of registered voters – one-third of the entire registered voting population in Liberia, and more than all the voting populations of the seven previous by-elections conducted. In spite of the shortcomings of the first round, there was no report of fraud or cheating in the entire electoral process. We thank the National Elections Commission (NEC) and the people of the two counties for this demonstration of political maturity.

In anticipation of 2010 and 2011 activities, the Commission, through the support of Government and partners, initiated several relevant activities: the revalidation of inter-county boundaries was concluded for 14 counties; Montserrado's, delayed on account of the November by-election, is now under way. This exercise aims at harmonizing the two separate and distinct datasets derived from the 2007/2008 work of the Special Joint Stakeholders Collaboration Committee and the LISGIS pre-census geographic mapping of 2007. Four regional consultative meetings among representatives of all stakeholder groups were held to inform and place emphasis on the Threshold Bill, which will enable the NEC to delineate or reapportion constituencies for the purpose of electing members of the House of Representatives for 2011. The passage of this Bill is vital for a credible voter registration exercise.

As the NEC prepares for the coming elections, we are pleased to report the significant support that is to be provided by our partners. The Commission should move into its new Tubman Boulevard premises, funded by the United States Government, in March of this year. The U.S. Government has also pledged an initial amount of US\$17.5 million to support the elections process through the International Foundation for Electoral Systems (IFES). In addition, the Security Council passed a resolution calling on all Members of the United Nations System to assist the Liberian electoral processes.

**Honorable Legislators**, a judicial system lies at the core of our commitment to justice, the rule of law, the protection of human rights and, ultimately, to peace. The pace of much-needed reform of the judicial system has not met our expectations. The Supreme Court requires more teamwork and urgent action on reforms of the jury system. Despite higher levels of compensation and overall better working conditions for Judges, County Attorneys, newly inducted Defense Counsels and Magistrates, the Court System remains slow in its processes and dispensation of justice and in the quality of its judgment.

A reorganized and better capacitated Ministry of Justice has begun to show results. In the past few weeks, the prosecution has prevailed in the LEC fuel theft case, the celebrated Firestone armed robbery case, and the murder case in River Gee involving a Fula motorcyclist. The Ministry has also obtained indictments in several corruption cases docketed for the upcoming February Term of Court, as well as the Keith Jubah murder case. Moreover, there are extensive ongoing investigations of corruption-related matters involving former and current Liberian Government officials. The Ministry is coordinating with relevant partners to develop case management strategies to reduce the length of pre-trial detention and address the problem of overcrowded prisons. There is now deeper cooperation between the Justice Ministry and the Judiciary to ensure that a correct balance is struck between prosecuting crimes and upholding the rights of the accused.

To make the justice system more accessible to the accused and provide an opportunity for cases on the court docket to be disposed of at a much faster pace, a Roving Prosecution Unit has been put in place. That number will increase in 2010, making the service available to nearly all the counties. Also on the issue of pre-trial detainees, the Ministry worked closely with the Judiciary in setting up the Magisterial Court at the Monrovia Central Prison last February. The Court has been very successful in disposing of misdemeanor offenses and maintaining a lower inmate population in that category. We understand that the Ministry of Justice and the Judiciary are now discussing the need to open a second Court for the trial of corruption cases, not only to reduce the

backlog of cases in this category, but also to send a strong message that this Administration is determined to win the war against corruption in our society.

The mainstreaming of gender justice and equality was strengthened by the establishment of the Sexual and Gender-Based Violence (SGBV) Crimes Unit at the Ministry of Justice, and Criminal Court E at the Temple of Justice to prosecute rape and other SGBV offences. A judge has been appointed and other court personnel have been recruited. Of the 20 rape cases brought to trial across the country, 6 were won, 8 were lost and 6 were transferred or dismissed for insufficient evidence. Evidently, the number of cases heard in the Court remains woefully low, due to reluctance by victims and their families to seek legal redress. At the same time, the Government continues to implement social services, such as clinics and safe houses that will attend to the physical and psychological needs of rape victims and encourage more of our women to seek Government assistance. The Government has also established the Women and Children Protection (WACP) section at the LNP Central Headquarters in Monrovia and in each county capital. It is expected that the expansion of this unit will bring much-needed assistance to women and children who suffer abuse.

The protection and promotion of human rights will be enhanced by the work of the Independent National Human Rights Commission (INHRC). We ask, Honorable Senators, that you speed up the process of confirmation of the Commissioners who have been appointed. In the meantime, the Human Rights Unit of the Ministry of Justice continues to respond to the needs of individuals whose human rights have been violated. In the past year, the Unit reviewed 92 complaints; 20 were resolved in-house, 22 were forwarded to the courts, still others were forwarded to the Solicitor General for prosecution or to the LNP for investigation, and 33 were abandoned.

The work of the Ministry of Gender and Development enhanced the image of our country in the area of gender equality and women empowerment. The program, supported by the Danish Government with a US\$22 million equivalent grant that promotes Liberia as a model country for the achievement of Millennium Development

Goal No. 3, is well under way. The program includes three areas of emphasis: gender equality and women economic empowerment; youth employment and empowerment; and food security and nutrition.

Similarly, the Nike Foundation /World Bank program for the Economic Empowerment of Adolescent Girls has gained momentum with almost all girls of the target 2,500 already selected for training to take up direct employment in the private sector. The National Rural Women Program, launched in 2008, now has a membership estimated at one-third of the rural women in every county. The first of five safe houses has been completed in Grand Bassa County, and work on the other four is ongoing. Some 1,500 women have benefited from literacy and microcredit programs.

**Honorable Legislators**, I said this in my Annual Message of January 2008, and I will say so again: It is time to revisit the proposal of the Women Caucus of your Honorable Body for action to increase the number of women representatives throughout Government, recognizing that the current 11 percent in the Legislature and 28 percent in the Executive are still below the 30 percent required by the UN resolution to which we are a signatory.

**Mr. Speaker, Mr. President Pro-Tempore**, the statistics provided by LISGIS make it abundantly clear that our nation is young, with 60 percent of the population below the age of 25. While we have been able to reach the very young, evidenced by the overwhelming response to our compulsory primary education program, we have been less successful in our effort to direct the young adolescents away from petty street trading to skills training that will prepare them for employment. The lack of vocational training facilities is a major constraint in this regard, a situation which must be addressed this year. On the other hand, we have had a large measure of success in promoting youth participation in a wide range of sport activities, emphasizing the need for a more structured and systemic approach, such as that which would be provided by a Sports Academy.

In the area of football, we are pleased to note that the Barrack Youth Controllers (BYC) football team, comprising 22 youth, competed in Freetown and brought back the first prize won in contest against far better resourced teams from Ghana and Brazil. Our youth performed brilliantly in the just ended County Sports meet for which we commend Cape Mount, Nimba, Bong and Rivercess Counties for the first prize in basketball, kickball, volleyball and track and field. We also commend Grand Gedeh and Nimba Counties as the finalists in a very exciting football match, and Nimba for its victory. We commend the officials of the Ministry of Youth and Sports for this remarkable success.

The Center for National Documents and Records/Deeds, established by an Act of the Legislature in 1977, is responsible for the establishment of Liberia's land and marriage registration throughout the country. Under new leadership, the Center has trained staff, reintroduced a search and deed registry system, reactivated out-stations in 12 counties, addressed fraudulent activities relating to deeds, and mobilized partnership support for its recovery. Plans are under way for relocation of the National Investment Commission to enable the Archives to obtain the 12<sup>th</sup> Street building intended for its operations.

The Environmental Protection Agency (EPA), although constrained by financial and human resources, was able to conclude environmental-quality standards and regulations for the main productive sections under which 44 permits were issued following environmental impact assessments. Through effort of the EPA, Liberia was declared compliant in respect of its obligation and contribution to conservation of the global environment, thereby meeting the international deadline of January 1, 2010.

#### **Pillar IV: Infrastructure and Basic Services**

**Mr. Vice President, Mr. Speaker, Honorable Legislators,** the key objectives of our fourth pillar, Infrastructure and Basic Services, are to rebuild the physical and social infrastructure that was totally destroyed over the past several years. These include roads, ports, telecommunications, electricity generation, water and sanitation, schools

and healthcare facilities. We also seek improved service delivery to an increasing number of citizens.

In clear priorities set by the majority of our citizens during the PRS consultations, the reconstruction of roads and bridges remain our focus. We are therefore always questioned by you and the public at large as to why it is taking so long to respond to this critical need. The truth is we have not waited, but have worked hard to mobilize the resources for this high capital cost activity. We have also had to respect the procedures and competitive processes required by our own laws and that of our partners.

The restoration of economic and social infrastructure remains the number one priority of our Government. During the year, we expanded or commenced a large number of projects and activities, including the rehabilitation of roads, bridges, schools, clinics, community facilities, electricity, water and housing.

Realizing that roads is the catalyzing force, the primary strategic objective of the Ministry of Public Works is to rehabilitate, reconstruct and maintain primary, secondary, feeder and neighborhood roads, and to ensure that the nation's roads and bridges are pliable year-round.

During the year in review, Public Works completed, commenced, or initiated procurement for the construction of roads and/or bridges in all 15 counties, and also undertook capacity building and training. More specifically, the Ministry built or reconstructed 107 miles of all-weather secondary roads, 650 miles of primary roads including 28 miles of pavement and 37 miles of neighborhood roads. The Ministry installed 9 bailey bridges and 223 road safety signs, and rehabilitated 12 public buildings. In Monrovia, 69 miles of neighborhood roads, including 37 miles of pavement, were rehabilitated or constructed.

Notable among the primary roads are: the Sawmill to Lofa Bridge, in Bomi County; the Palala to Zoweinta, in Bong County; the Medina to Robertsport, in Grand Cape Mount County; the Zwedru to Zleh Town, in Grand Gedeh County; the ongoing Pleebo to

Barclayville, in Grand Kru County; the Zorzor to Yealla, in Lofa County; the Cotton Tree to Bokay Town, in Margibi County; the Harper to Fishtown, in Maryland County; the Ganta to Sanniquellie, in Nimba County; the Pynes Town to Nyenfuen Town, in Sinoe County; the Brewerville to Bornor Town, in Montserrado County; and the Bopolu to Belle Yellah, in Gbarpolu County. Bridges installed included the Nyanforla, the Zorzor, the Sinje, the Julijuah and the Royesville. The Ministry also trained 20 employees in labor-based road maintenance, contract management, and road supervision.

Public Works and the private contractor group demonstrated unsurpassed commitment in their labor of love that led to completion of the first ever motor road to Belle Yellah. This enabled us, after an interesting two-hour walk, to spend the Christmas there, in fulfillment of a promise. My heartfelt thanks to all those who worked so tirelessly, to those who accompanied us on that historic journey, and to the people of Belle Yellah and the several townships along the way who welcomed us with great joy.

Although the Ministry faced daunting challenges, including budget cuts, an unpredictable extended rainy season, a limited contractor pool to implement projects, and inadequate equipment in good operable condition, it is well on track to implement our strategic multi-year plan, through 2011, to build, reconstruct, rehabilitate and maintain 1,187 miles of primary and secondary roads. They are also poised to install 27 bridges around the country and renovate the many public buildings that continue to be in a state of disrepair.

In order to move one step further toward our goal of quality education, the Ministry of Education initiated during the period the development of a 10-year (2010-2020) National Education Sector Plan which outlines the goals of our education policy framework as contained in the Poverty Reduction Strategy. An Education Strategy study, which provides the road map for investment in basic secondary, tertiary and technical and vocational education, will complement the activities outlined in the education sector plan. These entities will be underpinned by a new Education Act which will be submitted to you following conclusion of the ongoing Education Law Review.

**Mr. Speaker, Honorable Members of the Legislature,** in order to move one step further toward our goal of quality education, last year the Ministry of Education initiated the development of a 10-year (2010-2020) National Education Sector Plan complemented by an Education Strategy study which provides the road map for basic secondary, tertiary and technical and vocational education. These will be underpinned by a draft Education Act which will be submitted to you soon.

The revival of our education system is reflected in increasing national enrollment which now stands at 1.4 million, representing an 11 percent increase over the previous year at 1.3 million. Pre-primary enrollment is estimated at 550,000. Primary enrollment is estimated at 605,000 and secondary enrollment at 182,874. At the tertiary level, total enrollment for the recognized 9 baccalaureate degree granting institutions currently stands at 31,304.

The University of Liberia, at 17,620, has 56 percent of the total tertiary enrollment. Recognizing the value of tertiary education to our national recovery agenda, this Government's appropriation to the University rose from US\$4 million for 2009, and will increase to \$7.5 million by FY 2010. The appropriation enables the institution to serve the needs of about 17,000 undergraduate students in six colleges and about 620 students, in four graduate and three professional schools. At the same time, demand for higher education and enrollment at UL has hovered around almost 19,000 students, an enrollment far in excess of available facilities.

We wish to thank Firestone for renovating the Science complex at the main campus, and the Chinese Government for the restoration of academic and dormitory facilities at the Fendall campus which will be turned over to the Government well ahead of schedule in May of this year.

We are also pleased to note that the former WVS Tubman Technical College, renamed Tubman University, opened its doors in September last year and now has an enrollment of 300 students in 4 colleges. We will be joining the Maryland Legislative Caucus and

other legislators in Harper on February 27 to dedicate the renovated campus of the University.

I wish to commend Dr. Emmet Dennis of the University of Liberia and Dr. Elizabeth Davis Russell of Tubman University for the determination, efficiency and effectiveness which they have brought to these institutions.

As a result of the implementation of our Free and Compulsory Primary Education Policy, enrollment has more than doubled in the past two years. Although a welcoming development, this rapid increase poses the challenge of additional schools, teachers and instructional material. In response, a total of 56 primary schools are under construction nationwide, all of which should be ready for use in or before the next academic year. Forty of the schools are funded under the Liberia Education Pooled Fund, and 16 under the European Commission Support to Education in Liberia.

The first of "The Learning Along Border Schools," intended to enhance peace and security at border crossing points with Sierra Leone, Côte d'Ivoire and Guinea at a cost of US\$700,000, is nearing completion in Ganta, Nimba County, near the Guinea border.

In addition, some 76,600 pieces of school furniture have been produced. More than 1.2 million copies of primary textbooks and teacher guides procured, and a large number of junior secondary textbooks purchased and distributed to schools nationwide. The national curriculum has been revised and strengthened, taking into account the syllabus of the West African Examinations Council (WAEC), to better prepare Liberian students to sit international exams.

The training of qualified teachers is as important as the provision of materials and tools for enhancing quality teaching and learning in the classrooms. I am therefore pleased to report that during the period under review, the Rural Teacher Training Institutes at Kakata and Zorzor, became fully operational again, and a total of 453 trained teachers, the first such output in 20 years since the institution ceased operations in 1989. Another group of 525 trainees is currently enrolled at institutions. We are also pleased to report

the big boost given to our effort to enhance quality education, particularly in our rural areas; our sisterly country of Nigeria, at their expense, have provided 56 teachers for our schools.

The issue of qualified teachers remains a challenge despite the progress cited. Some 5,052 volunteer teachers who did not meet the requisite qualifications were retired with benefits while 6,800 others classified and are now teaching in schools throughout the country. In the process of regularizing volunteer teachers, we found the Ministry to be seriously affected by ghost names. The General Auditing Commission, with support from the Ministry of Finance and the Civil Service Agency and with funding from the United States, is undertaking a comprehensive enumeration and verification of the Ministry's payroll. We expect this exercise to bring considerable savings to Government.

We continue to place emphasis on the development of local institutions as the best means to educate our population; therefore, with your support, we are providing subsidies of US\$435,120 to more than 20 private institutions. Also, a total of 2,191 students are benefiting from Government scholarships at local secondary and higher education institutions. Scholarship grants from several countries, including the United States, Cuba, Turkey, India, Egypt, Morocco, the People's Republic of China, and Australia support Liberian students.

**Mr. Vice President, Mr. Speaker, Honorable Legislators,** our country's health sector continues to make progress toward the overriding goal of providing to the majority of our citizens access to basic healthcare of acceptable quality while establishing the building blocks for an equitable, effective, responsive and sustainable healthcare delivery system. Specifically, this goal is to be measured by the attainment by 2011 of two key objectives: to reduce maternal mortality rate by 10 percent, and child mortality rate by 15 percent. This will take us closer to the MDG goal which calls for reduction by three-quarters in maternal and two-thirds in child mortality rate by the year 2015.

Six strategic objectives will enable us to achieve our overall health goals: human resource development; expansion of the basic package for health services (BCHP) to 70 percent of health facilities; rehabilitation or construction of 205 health infrastructure; strengthen our national social welfare programs; develop support systems for delivery of health services and establish a national performance- based contracting system for delivering healthcare services to 57 health facilities in five counties – Gbarpolu, Lofa, Maryland, Montserrado and Rivercess.

Toward achievement of these objectives, the Ministry of Health and Social Welfare maintained 2,444 health workers on standardized incentive package; and provided bonuses in the amount of US\$165,000 for 1,535 health workers from health facilities that had exceptional performance; provided international scholarships to 27 health workers to pursue masters' degrees in various specialized areas, and an additional 201 scholarships to students at various local universities. In addition, the Ministry provided free medical education to 584 students – 515 at TNIMA, in Monrovia, and 69 at the southeastern Midwifery School in Zwedru.

By expanding basic health services, the Ministry distributed 1.9 million worth of assorted medical equipment to the 15 county hospitals, 30 public health centers and 300 public clinics across the country. As a result, the nation achieved significant reduction in the prevalence rate of malaria, cholera, and anemia in children. Other achievements included: a nationwide program in which we immunized 90 percent of the population against Yellow Fever; we maintained a program of 92 percent immunization coverage for polio; we increased Anti-Retroviral Treatment (ART) service delivery by 27 percent; conducted successful operation of 187 fistula survivors and rehabilitated 64 survivors. The implementation of key policies and strategies led to successful implementation of the Basic Package of Health Services in 47 percent of all public health facilities, thereby exceeding the HIPC trigger point of 40 percent, and surpassing the targeted 2009 accreditation score of 75 percent in the number of facilities implementing the BPHS. In the fight against malaria, 1,221,700 Long Lasting Insecticide Treatment Nets were distributed across the country.

We have made appreciable progress in the construction of health facilities. Two antenatal care clinics (ANC) in Grand Gedeh and Rivercess Counties were built; and construction commenced on 21 new primary health clinics nationwide, including the Tappita Hospital in Nimba County. Additional construction work is under way at the C. B. Dunbar Hospital in Gbarnga and at nine health clinics around the country. This includes 12 ANCs and maternity wards. The Foya Health Center was also renovated during the period under review.

To strengthen social welfare programs, the Ministry reunified 30 children with their biological parents, and developed the National Social Welfare Policy and Plan which was approved by Cabinet. To enhance support for efficient delivery of healthcare services, the Ministry drafted the proposed Act seeking the establishment of the Liberia Medicines and Health Products Regulatory Authority (LMHRA), which will be submitted to you in due course. Additional services rendered by the Ministry include the issuance of 21,143 birth and 548 death certificates, and consistent with its good performance in financial management, the Ministry installed the country's first National Health Accounts (NHA) Study to track actual health expenditure; and developed a five-year NHA Action Plan.

As reported last year, the 15 county hospitals are now fully functioning, including the renovated and expanded Telewoyan Hospital in Voinjama, which continues to enjoy support from the Swiss Government for operational cost. We have also started the renovation of clinics – eight completed during the past year – and the establishment of midwifery schools, two established in Zwedru and Zorzor, during the year. Construction of the US\$10 million hospital in Tappita is on course, and we expect completion before the end of this year. Discussions are ongoing with the People's Republic of China for equipment and operational support.

Relatedly and consistent with Government's goal to reduce water- and sanitation-related diseases, the Ministry participated in closure of the Fiamah dump site and establishment of the Whein Town facility; construction of 122 bio-sand filters in

Maryland and Gbarpolu Counties; 58 hand-dug wells in Nimba and Lofa Counties; 27 boreholes in Lofa, Nimba, Bong, and Montserrado Counties; 1 groundwater-fed system at MTA to serve the community; and signing of contract for the rehabilitation of one rural city water system.

The positive trends of progress in the health sector are still not matched by adequate programs of assistance to the physically challenged although with your support appropriation in this fiscal year increased. We must do more to improve the living conditions and provide skills for our disabled. I ask for your continued support in this regard.

The adoption program remains suspended until laws, policies and proper guidelines have been established under the National Adoption Act, which will be submitted to you as part of our Legislative Agenda.

**Honorable Legislators**, the Ministry of Health continues to demonstrate good performance in financial management. In recognition of this achievement, the Pool Fund established in 2008 for the sector continues to attract the support and the praise of several of our development partners.

In addressing health issues, let me also mention the work of the National AIDS Control Program, whose activities include prevention, care and treatment. Reconstituted in June 2007, the Commission provides national leadership for a multi-sectoral approach to HIV/AIDS. The Liberia Demography and Health Survey estimates that 52,192 people are infected with HIV in this country. There must be a normative change in sexual behaviors, otherwise the rate of new infection will grow much faster than the rate at which we are providing treatment services.

**Honorable Legislators**, I must be candid to say that despite this tremendous progress, a significant portion of our population still lack access to basic health care. This is due to the lack of roads, clinics and health workers, particularly in the remote areas of the

country. Our challenge, which we will meet, is to continue to expand all economic and social infrastructure until service is expanded to all of our population.

The posts and telecommunications sector also made progress towards the goal of universal postal and communication services supported by the Universal Postal Union (UPU) and the International Telecommunication Union (ITU). With a focus on connecting rural communities and low-income areas to other parts of the country, the Ministry of Posts & Telecommunications operates 23 post offices in 9 counties with Sinoe added during the past year. Since 2006, there has been an increase of 34 percent in the volume of both outbound and inbound mail. This is attributed to a reduction in mail tampering, smuggling, and theft. Programs of capacity building of staff have led to more efficiency in operations, resulting in restored customer confidence in the mailing system. A draft Postal Policy has been formulated to provide rules and regulations to govern the Liberian post. If progress continues at the current pace, we expect that before the end of this year, we will be able to implement the National Postal Address System Project, geared to provide a definitive address to every area of the country. A National Telecommunications/ICT Policy has been formulated and approved by the Cabinet to guide our effort in expanding and improving telecommunications services.

You may recall, **Honorable Legislators**, that in 2007 you passed a Telecommunications Act which enabled us to reconstitute the Liberia Telecommunications Corporation (LTC), which quickly took action to restore facilities that had been massively looted and vandalized. The Corporation also went a long way toward resolving inherited legal issues related to the huge arrears due private entities for the supply of unused equipment and services provided in prior years.

We are pleased to report that, as a result of success in these efforts, the Liberia Telecommunications Corporation (LIBTELCO) launched its services on May 1, 2009, to provide affordable and secured communication services such as fixed wireless, push-to-talk, fax, internet and CDMA mobile under an arrangement with the supplier ZTE of

China. With Government subsidy of \$2.3 million in this fiscal year, LIBTELCO expects to meet its 5,000 lines target by year end. The Corporation expects also, during 2010, to extend its service, which at present covers only Greater Monrovia up to Firestone in Margibi County, to Grand Bassa, Bong, Nimba, Lofa and Grand Gedeh.

The Liberia Telecommunications Authority (LTA), which seeks to become the premier telecommunications regulator in the region, is charged with the responsibility to regulate the telecommunications industry in Liberia. Under the Telecommunications Act of 2007, the LTA is obliged to undertake the frequency harmonization and license standardization processes with respect to service providers that were issued “prior licenses” before the advent of the new regulatory regime. Thus, a comprehensive licensing framework for the companies – aimed at the harmonization of frequencies and standardization of licenses of all GSM networks – has been hammered out.

As a result, the Government received \$12.5 million for the calendar year 2009 as licensing fees from the GSM companies. The LTA, meanwhile, has initiated and completed 90 percent of the standardization of non-GSM service providers (including Internet services) licenses; and received 42 applications for licenses to provide various forms of telecommunications services, ranging from community radio stations to Next Generation services. Sixty percent of these were processed during the period.

The LTA also assigned CDMA frequency for the smooth operations of the Liberia Telecommunications Corporation (LIBTELCO), the National Operator, and prepared a new National Numbering Plan for the country resulting in the assignment of specific numbers to all four GSM operators and LIBTELCO. These are to become operational this year.

As a major regulatory and revenue earning strategy, the LTA, during the year in review, initiated the process of acquiring a Spectrum Monitoring System. This system is capable of identifying unlicensed and illegal frequency users by use of its directional finding capability. It is a reliable solution for spectrum monitoring and promises to substantially

increase LTA/GoL revenue generation capabilities relative to the sector, while boosting LTA's efficient spectrum management capacity.

The LTA published Interconnection Regulations that are applicable to all licensed service providers and embarked on initiatives regarding the provision of Universal Access Services, a major deliverable under Liberia's Poverty Reduction Strategy.

Meanwhile, the LTA has collaborated with the Ministry of Posts and Telecommunications (MP&T), the Ministry of Planning and Economic Affairs (MPEA), and other relevant stakeholders to develop and produce a best practices-based Information and Communications Technology (ICT) policy for the country's telecom sector. The LTA and MP&T also held pertinent policy consultations on various policy considerations that will impact, among others: future licensing conditions; the elaboration of LIBTELCO's status as a national operator; and the landing of a submarine fiber optic broadband cable facility in Liberia. When realized, the submarine cable will engender world class connectivity for the country and open up vast avenues and opportunities for the country's telecom industry and for the end-users of services which the broadband communications infrastructure will offer.

In order to ensure greater coordination and better understanding regarding the regulatory nature of the LTA, a mechanism was put in place to foster collaboration between the Authority and various governmental entities. An information/education campaign geared towards creating a much better understanding of the functions of the LTA and its relationship with other stakeholders was also initiated.

Despite some significant achievements in the harmonization of frequencies, there is still scope for efficient management of the country's finite spectrum, especially in regard to the 3.5 GHz band. The LTA is working on steps toward achieving much more efficient usage of this bandwidth.

Moreover, the LTA still lacks the capital funds to construct its own office building and/acquire the technological operational capabilities it certainly needs to become a

much more effective sector regulator. The strategic way to do this is to have the LTA's spectrum fees obtained from the sector ring-fenced solely for the regulator's use.

The goal of the Government is to improve the Liberian transport sector through policy, systems and infrastructure development that create access to reliable, affordable and efficient service. In the period under review, the Ministry of Transport concluded and cleared through Cabinet, the National Transport Policy and Strategy; the National Transport Master Plan and is well advanced in plans. Additional plans are under way to establish a National Meteorological Agency to develop human resource capacity which represents a major constraint in the Ministry's efficiency. After a long period inundated by legal issues, the Ministry has commenced the issuance of the various classes of vehicle license plates that range in cost from US\$100 up to US\$560.

By Act of the Legislature published March 31, 2009, the National Transit Authority (NTA) was established to create and implement a national transit system with the Monrovia Transit Authority relegated to a subsidiary body. This provides the means for extending road transportation services to all counties as the road system will permit. After a long period of inactivity followed by fits and starts during the Interim Government, in 2007 a real effort was made to resume public transport services through the MTA facilities. A grant of close to US\$519,000 made available by the McCall MacBain Foundation was used to purchase ten used buses, tools and spare parts for the used buses provided in 2007 by the Government of Spain. Government funding of US\$580,000 was used to purchase a fleet of 12 heavy-duty transit buses. These facilities enabled the MTA/NTA in 2009 to transport over 3.6 million commuters, including 1.2 million students, throughout Monrovia and the suburbs. Services were extended for the first time beyond Montserrado County with routes to RIA in Margibi County and to Gbarnga in Bong County. Transportation services remain woefully inadequate, as only 15 percent of regular communities and 5 percent of the student population are served. I have started action that will address this problem, including early follow-up for delivery of the 24 buses offered last year by the Government of India during the visit of the Foreign Minister. We are also considering a model used in

Senegal involving the possible introduction of a public/private partnership that will bring private management into this important public service.

During the year, the Liberia Airport Authority Act passed by you provided the Roberts International Airport (RIA) with legal status for the first time in its history. This provides operational authority for effective running of all airports in the country. We have since constituted the Board of Directors for the new Authority. We signed a six-month Memorandum of Understanding with the Lockheed Martin Corporation of the United States to manage and develop staff capacity at RIA with particular focus on improving the security situation at the airport. Lockheed Martin has a track-record of transforming airports and giving them world-class identity. The company has already, at its own expense, developed a master plan for the development of RIA, and is expected to attract African businesses for RIA.

A growing number of regional and worldwide carriers are flying to Liberia, among them, Brussels Airlines, Kenya Airways, Ethiopian Airlines, Royal Air Maroc, and Elysian Airlines. For the period under review, there were a total of 58,557 enplaned passengers and 58,390 deplaned passengers at RIA, signifying that Liberia, with its peace and stability promoted by all of its citizens, now enjoys the confidence of international visitors. There were also a total of 1,688,770kg cargo inflow and 141,021kg of cargo outflow for 2009, indicating an increase in investment in the country, and confidence by foreign business partners in the Liberian economy. The total outflow of mail in 2009 was 24,888kg and total inflow was 30,163kg.

The Liberia Civil Aviation Authority (LCAA) as the regulatory body for airport operations has been instrumental in moving the Liberia forward in air transport services. The Open Skies Agreement signed with the Government of the United States in 2007 set the pace for negotiations for Delta Airlines to commerce direct flight to Liberia. However, commencement of Delta flights received a setback due to security concerns expressed by the Transportation Security Administration (TSA) of the Department of Homeland Security of the United States. The Civil Aviation Authority (CAA) and RIA, under

Lockheed's supervision have collaborated with the TSA to ensure that the necessary corrective actions are taken to pave the way for Delta direct flight this year.

The TSA, through its Aviation Security Sustainable International Standards Team (ASSIST) Program, has been working around the clock with our Civil Aviation Authority to provide training and capacity building in the areas of screening, detection of explosives, dangerous goods and fraudulent documentation. The entire RIA perimeter has been barbed-wired while additional X-ray and hand-held metal detectors secured for security purposes. Honorable Legislators, your cooperation and ask that you exercise patience as we try to ensure compliance with standards and recommended aviation security procedures. This is for the safety of all passengers and a requirement worldwide.

Other improvements include the construction of the LCAA New Annex Office Building at Robertsfield to facilitate the relocation of staff from the James Spriggs Payne Airport. This relocation has facilitated rapid response to air operators that violate Liberia's airspace, made it possible to conduct impromptu spot checks, and ensured accessibility of the airport to provide passengers and the public pertinent aviation-related information. Another major achievement of LCCA is that Liberia is now compliant with the ICAO resolution calling on Contracting States to use machine readable passports. Also, plans are far advanced for the refurbishment of the Roberts International Airport (RIA) Control Tower with modern state-of-the-art equipment. The Regional Flight Information Registry (RFIR), which LCAA was instrumental in returning to Liberia from Guinea, is now fully operational.

We wish to note that the Authority prioritized consistent training and capacity building for staff, with overseas training in Records and Documentation; Flight Safety Standards and Airworthiness; and Communications/Air Navigation, resulting in seven (7) trained Air Traffic Controllers and several Engineers. Also today, following a recruitment exercise, the Authority now has 11 Engineers (5 in communication; 5 in Flight Safety; 1 in Aerodrome who is also an IT person for LCAA), and 8 Air Traffic Controllers (ATCs),

among other important staff, although still understaffed according to ICAO standards, with a target to meet, within the next three years, the basic manpower required to sustain growth.

Under new management, the **National Port Authority (NPA)** issued for the first time a mission and vision statement to ensure that employees have a clear and uniformed road map to follow. A high-level strategic plan, including a SWOT analysis of critical success factors and high-level action, was developed and approved by the Board of Directors.

NPA revenues increased by 43 percent to US\$1.996 million while expenses decreased by 22 percent, or US\$4.2 million. This performance was based upon a 4.26 percent in vessel traffic and in containers operation by .03 percent. The NPA trained 336 staff in various courses to enhance the capacity of the Corporation and to improve their morale and motivation. Sound financial management enabled the Corporation to assume full management of its financial operation, bringing to an end the valuable assistance provided under the GEMAP Program. The Freeport of Monrovia became ISPS compliant for the first since the creation of the International Ship Port Security Code in 2004.

Under the Liberian Port Sector Reform Program, the National Port Authority (NPA) is poised to enter a public private partnership agreement which will entail investment of more than US\$100 million by the private sector to modernize the Freeport of Monrovia, including construction of a new marginal wharf, construction of terminals and facilities and the provision of adequate equipment and operational expertise. This will result in increased efficiency in port operations and reduced cost to shippers with positive impact on commodity prices in the local market. Although the operations of other activities at the Port will continue to be managed by the NPA, the concession agreement will enable the NPA management to focus attention on addressing the urgent needs at other ports, such as dredging and wreck removal. This will ensure that those ports will open up and

facilitate economic activity, including logging, mining and agriculture, in the other three counties – Grand Bassa, Maryland and Sinoe.

In 2009, 96 new entities and 876 employees were registered, bringing the total enrolment and insured persons under the National Social Security & Welfare Corporation (NASSCORP) schemes to over 68,000. NASSCORP paid out US\$1.4 million and L\$36.2 million, respectively, in benefits to over 6,000 beneficiaries. New investment outlays (including US\$2 million for the purchase of 125,000 shares in the Liberia Bank for Development and Investment), fixed assets acquisition and administrative expenditures totaled US\$8,897,744.54 and L\$108,015,578.54. NASSCORP has concluded plans to commence an affordable housing project with the National Housing Authority, intended to reach our low-income citizens. Among NASSCORP's challenges are: the continuous servicing of medical bills in U.S. currency while contributions for such coverage are made mostly in Liberian dollars; the drop in the level of contributions, owing to the global economic crisis; a slowdown in the payment of Government's 4.75 percent contribution on behalf of civil servants; the low contribution rate which engenders a low rate of benefits paid to beneficiaries; the reluctance of small business to fully cooperate with the program; and legal issues prohibiting the development of the NASSCORP property at Whein Town in Paynesville.

The Liberia Petroleum Refining Corporation (LPRC) continues to serve as the broad focal point for the importation of petroleum products. Four importers, including three Liberian entities, imported close to 180,000 metric tons of the three products – gasoline, fuel oil, and kerosene – that serves the Liberian market. This resulted in revenue increase from storage fee of US\$11.8 million, an appreciable performance when compared with the US\$10.1 million budgeted.

The price of petroleum products fluctuated during the year, reflecting changing world market prices. However, prices in the Liberian market have remained aggressively competitive when compared with other countries in the sub-region. For example, the average price for a gallon of gasoline, at US\$3.15, is the lowest in a range that goes as

high as US\$6.43. Fuel oil, at US\$3.20, compares well for a range that goes to US\$6.30, with only one country posting a lower price.

Facilities at the LPRC storage site are in terrible shape, with little improvement made over the three years 2006 to 2008. In 2009, after a competitive bidding process initiated during the high-cost price environment of the global financial crisis, the LPRC management concluded an agreement with the firm Zachem International for the rehabilitation and expansion of the petroleum storage terminal. After careful review, the Ministry of Justice determined that the contract lacked the approval and attestation of the Ministries of Finance and Justice, as required by law, and was therefore invalid.

Given the serious security risk of the existing facilities, the concerned Executive institutions – the PPCC and the Ministries of Finance and Justice – are working with the LPRC management to conclude arrangements with the other bidder, a British firm, which has the best financial and technical capacity to undertake the rehabilitation on a fast track that would start in February. In the meanwhile, the World Bank is supporting the Corporation in a process that will lead to rehabilitation or reconstruction of the oil jetty.

The General Services Agency (GSA), in its role of assets manager of Government, has begun the process of training and system installation to enable it to perform its true function. An Asset Registry Infrastructure has been established to computerize all asset and inventory data collected from Ministries and Agencies. The Agency also focused on implementing PRS deliverables, as outlined in its 2007 Comprehensive Business Plan. Strategies focused on cost reduction, staff development and several draft policy documents, all relating to the statutory mandate of the Agency as outlined in the Legislative Act of 1966.

The renovation of the facilities for the July 26 Independence Day celebration in Gbarnga, Bong County, the renovation of the Greenville City Hill, and the rehabilitation of the Land Commission's facilities were undertaken by GSA in keeping with its

mandate for the maintenance of public facilities nationwide. As the skills of its workforce improve, with new technology and modern tools, the Agency will provide greater savings to Government as the rehabilitation of public infrastructure continues. The Agency has also concluded plans for the issuance of petroleum products to Government through stations, thereby addressing the waste and fraud that stems from the issuance of gas slips. The Ministry of State and the Ministry of Public Works are the first to indicate readiness to conclude arrangements under this new procedure.

The Liberian Water and Sewer Corporation (LWSC) continues to make progress in expanding water and sanitation services to the nation. The LWSC collaborated with water sector partners in finalizing the IWRM, and the water and sanitation policies which are crucial to drive services and protect our water resources.

Coverage in urban water supply over the period increased by 15 percent as compared to coverage in 2008. In Monrovia, production at the White Plains Water Plant increased by 24 percent, and pipe-borne water supply was extended to 10 new communities in Monrovia. One new satellite water system was developed and commissioned in the Monrovia Transit Authority community, providing pipe-borne water for the inhabitants.

Rehabilitation works are nearing completion at the Water Treatment Plant that will increase treatment capacity to 5 million gallons daily in 2010 as compared to 3 million gallons daily last year. Water supply to Monrovia has been extended to 18 hours daily to an additional 20 communities. The study and design have been completed for 100 percent rehabilitation of the Monrovia water system, with funding from the African Development Bank. There has been great improvement in sewage flow in Monrovia, but criminals continue to remove manhole tops, thereby leaving the system vulnerable. This practice must stop.

The Kakata water system continues to function and, in addition, the rehabilitated Zwedru water system is now in operation. Work on the Gbarnga system will be completed next month. Three rural out-stations will be functional. Rural water and

sanitation coverage has increased by 10 percent and 7.5 percent, respectively. Our greatest challenge in the rural towns and villages is good hygiene practice. Until significant improvement is achieved in hygiene practice, our rural citizens will continue to suffer from water- and sanitation-related diseases. There is need for budgetary appropriation for rural water, sanitation and hygiene. This will help us to improve agriculture, education, health and to strengthen our youth.

The National Housing Authority (NHA) is poised to commence a low-cost housing estate project in collaboration with the National Social Security & Welfare Corporation (NASSCORP). This estate will afford low-income groups the opportunity to own a home compatible with international HABITAT standards. The NHA is also partnering with two potential investors to construct low- and middle-income affordable housing. Under arrangements with the Hainan Century Investment Company of Mainland China, 1,000 low-cost housing units are to be constructed initially in Marshall, and 10,000 throughout the country. Five hundred units now under construction on 150 acres, a mile from the Rafiki Village, are expected to be completed and available for sale and occupation before the end of this year. Moreover, with the backing of the China Development Bank, the project has been expanded to include 30,000 units nationwide. A contract has been concluded with Broad Cove Partners (BCP) of the United States for the construction of 1,200 middle-income housing units, to be located on 300 acres in Schefflin, Margibi County. The land dispute which delayed the project has been resolved, enabling the project to commence. The NHA continues to manage the four housing estates – Stephen Tolbert, New Georgia West, E. Jonathan Goodridge, and Cabral – while moving ahead to implement Government policy of granting land and housing rights to those who have met the requirements set by Government two years ago.

Under a reorganized management and reconstituted Board of Directors, the Liberia Electricity Corporation (LEC) made good progress in its expansion of service to the people. LEC has a current total generation installed capacity of 9.64 megawatts (MW) in four zones: Congo Town, New Kru Town, Paynesville and Bushrod Island. A transmission network is to be completed within a few months with European Union

financial support. Until this is available, LEC will continue to use its 22-kV and 400/230-V distribution networks, which facilitate the provision of basic street lightings and customer services in the four project zones. In October 2009, the Paynesville Distribution Network Upgrade was commissioned. This involved the construction of 9 KM of 22-kV line from ELWA Junction to the Police Academy. Rehabilitation of the Monrovia Power Grid, which is under way with US\$18 million funding from the European Commission, will connect a greater portion of Monrovia and its environs to the LEC power grid. This will include service to the Capital Hill area, bringing relief to all of us.

The Government, through the LEC, contributes to the West African Power Pool (WAPP), which is coordinating projects geared towards interconnecting the various West African power grids that will subsequently allow power exchanges among countries. These include the Côte d'Ivoire-Liberia-Sierra Leone-Guinea (CLSG) Interconnection Project, designed to establish a regional electricity market in West Africa; and the Cross Border Project, intended to supply 18 Liberian border communities in Maryland, Grand Gedeh, and Nimba Counties from Côte d'Ivoire. LEC received US\$2 million as Government subsidy for 2009/2010, part of which went for medium voltage, low voltage, and customer connection materials. An average monthly collection of around US\$553,000 is received from a customer base of 2,143, up from 1,200 in the last five months. In September, LEC management confirmed permanent status for the 161 contractual employees, thereby meeting its social responsibility to the people.

**Mr. Speaker, Mr. President Pro-Tempore, Honorable Legislators,** we made some progress but did not, as stated in our message last year, develop a Comprehensive Corporate Governance Framework with the goal of improving the efficiency and increasing the productivity of our Public Corporations or State-Owned Enterprises. We did issue guidelines reducing board compensation and requiring the establishment of Board Auditing Committees. We also progressed well in the shift from political appointments to a process in which senior management is recruited through a

competitive process. We will continue to move forward on the several steps previously outlined to you as part of our corporate governance strategic reform.

Nevertheless, we must recognize that once associated with economic mismanagement, inefficiencies, and corruption, several of our public corporations have been cleaning up their acts by improving efficiency in service and increasing profitability, thereby contributing to our nation's economic growth and revitalization. We also note that several have improved their financial management and thereby graduated from the technical assistance provided under the GEMAP Program.

The Liberia Agency for Community Empowerment (LACE) was established by an Act of the Legislature, published on July 22, 2004. It serves as the implementing entity for donor-funded community works and services. With a well-established credibility for integrity and effectiveness and with full community partnership, LACE has managed the process for the construction of 57 schools (since 2004), 12 bridges, 20 wells, as well as markets and recreation centers with funding from the World Bank and the European Commission. Notably, some of these facilities are located in the southeast.

The Liberia Education Trust (LET), in its initial three-year program with private funding of about US\$2.5 million, has provided 3,500 scholarships to girls, concluded literacy training for over 3,500 women and, through LACE, constructed 28 of the 50 targeted schools, 25 located in Margibi, Montserrado, River Gee, Rivercess, Gbarpolu, Grand Kru, Grand Gedeh, Sinoe, Maryland and Nimba Counties.

The Sirleaf Market Women Fund (SMWF), which mobilizes resources from private foundations and entities largely in the United States and working through the Gender Ministry, has obtained funding of some US\$2 million to construct or renovate markets in various counties. The Fund constructed five market buildings – ELWA Market, Paynesville Market Annex, Nancy Doe Market Extension, Redemption Day Market, Rally Time Extension, and a new market facility in Saclepea.

## *CROSS-CUTTING INSTITUTIONS*

**Honorable Legislators, Distinguished Ladies and Gentlemen,** there are three cross-cutting institutions that feature under the four PRS pillars – Gender, Youth, and Information.

Our Government's efforts to promote gender equity and enhance the role and participation of women made impressive gains 2009. The Ministry of Gender and Development launched a National Gender Policy (NGP), in December, to guide all sectors in their planning and implementation of gender equality programs. In particular, it will provide a mechanism for accountability, within the Government itself and with other stakeholders, to chart the progress made in eliminating all forms of gender-based discrimination.

The Ministry also developed and launched a National Plan of Action and established a National Secretariat for the implementation of UN Security Council Resolution (SCR) 1325, which calls for more participation of, and more protection for, women in the society. In the area of participation, the Ministry estimates that only 2 percent of Liberian women work in the formal sector, and their share of wages represents only 11 percent. Teenage pregnancy and school dropout rates remain high. The National Gender Policy is designed to tackle these problems. The policy will also implement a Gender Budgeting System and promote the allocation of at least 30 percent for gender mainstreaming at Government line ministries and agencies.

We continue to fall short of the goal of 20 percent female participation in our security institutions, with records showing 8 percent in the AFL, 15 percent in the Liberia National Police, 21 percent in the Bureau of Immigration and Naturalization, and 20 percent in the Special Security Service.

In March 2009, I co-hosted, with President Halonen of Finland, the International Colloquium on Women's Empowerment, Leadership, Development, International Peace and Security. This event, which proved to be a major showcase for women and for Liberia, brought together over 400 women leaders from countries worldwide to

exchange views on the progress and action required for progress in implementing SCR 1325 and on measures to address climate change. An additional 400 women from all over Liberia participated in the main event and the follow-up meetings which focused on domestic issues relating to the status of women. During the event, as the first African country to do so, we launched our National Plan of Action for implementing SCR 1325.

Post-Colloquium activities supported by partners include the granting of micro-credits and support to country-cloth weavers and women's groups in the 15 counties. Other achievements by the Ministry include: the establishment of the year-round National Rural Women Program in all 15 counties; acceleration of the Danish-sponsored program for the attainment of Millennium Development Goal No. 3 on gender equality and women's economic empowerment; training and support to 43 women's farming groups in agro-processing; construction of seed banks and crop diversification; literacy training programs to enhance the marketing skills of over 3,000 rural women and to provide micro-credits in rural areas; as well as vocational training and empowerment activities for youth centers.

In addition, the Nike Foundation/World Bank Economic Empowerment of Adolescent Girls Project, aimed at recruiting out-of-school girls between ages 16-24 to benefit from business development and job-skills training, was finalized to commence in February.

Consistent with the objective of consolidating the nation's youth into a focused, productive and dynamic entity for national development, the Ministry of Youth and Sports organized the processing and placement of over 4,000 youth – 2,412 males and 1,723 females – in the vacation job program. An African Union grant facilitated the training of 200 young people, especially girls, in such domestic trades as cosmetology, tailoring, hotel/restaurant management, and computer science.

In conjunction with UNDP, the Ministry recruited, trained and deployed the second batch of 121 young women and men to participate in the National Youth Voluntary (NYV) Program that encourages young people to play a role in nation-building. These NYVs

are currently serving in Maryland, Grand Gedeh, Bong, Lofa, Grand Bassa and Sinoe Counties. A third batch of 150 youth volunteers is undergoing training for deployment this month. Reports from the field indicate that the volunteers, who are involved in education, health, agriculture and community development, are having a significant impact in the communities they serve.

An additional 30 young men and women volunteers were trained as Peace Ambassadors and are deployed in all 15 counties for a one-year assignment. The Ministry has plans well under way to reintroduce the National Youth Cadet Program, accessible to young people with a minimum of 45 university credit hours, a 3.0 grade point average, and 60 hours of community service.

Emphasis will be placed on the sports aspects of our program through the promotion and support of the County Sports Meet, as well as and various sports federations, such as the Liberia Football Federation and the Liberia National Olympic Committee, while also promoting other team and individual sports. We signed an MOU with the citizens of Latia, Grand Cape Mount County, to acquire 50 areas of land for a National Sports Academy. Efforts are under way to identify support that would enable us to start this initiative this year.

In the field of information, in 2009, the Ministry of Information, Culture & Tourism (MICAT), made significant progress in achieving a number of critical goals under the "Lift Liberia" Strategy. The Ministry, in collaboration with the Department of Public Affairs at the Executive Mansion, developed a comprehensive communications strategy which focuses on empowering, educating, and informing the Liberian public about the "Lift Liberia" Strategy. The communications strategy employs a multi-dimensional approach, utilizing radio, television, town hall meetings, community outreach, the Internet, print publication, as well as other unconventionally and unorthodox channels as conduits through which the Liberian public is informed, empowered, and educated about the PRS.

In September, MICAT entered a Memorandum of Understanding (MOU) with the Association of Liberia Community Radio (ALICOR) for the dissemination and information sharing of content of the “Lift Liberia” Strategy to be played on community radio stations throughout the country. Under the “Lift Liberia” Strategy, the drafting of a Whistleblowers Protection Bill was placed under MICAT as a major deliverable. In collaboration with various Government stakeholders, the draft was completed, and on December 18, I signed Executive Order No. 22, bringing this intervention into law until you pass the Act that is before you.

Other MICAT activities included the redeployment and installation of Liberia News Agency (LINA) Bureau Chiefs in Bomi, Margibi, Bong, Rivercess, Nimba and Grand Kru Counties, making it possible to gather news stories from these counties and link the Capital to the hinterland. A six-week seminar to train Government’s Public Relations Officers in reporting techniques was undertaken by Dr. Abdoulaye Dukulé under a consultancy arrangement with the Ministry. MICAT continues the role of informing the public of important goals and policies of Government through weekly Press Briefings, and was a key player in consultations with the Legislature concerning the Freedom of Information Act. The renovation of Providence Island, one of Liberia’s historic shrines, also started during the period under review and is to be fully developed along with the work planned for the Mesurado River waterfront. In May, under the leadership of the Ministry, Liberia will participate in Expo 2010 in Shanghai, China, aimed at showcasing the participating countries in order to boost their tourism industry.

**Honorable Legislators**, we wish to note that news about the activities of the President is published daily on the Executive Mansion’s website, [www.emansion.gov.lr](http://www.emansion.gov.lr). There you will find photographs, audio recordings, press releases and more. The site continues to attract more visitors, with the number of hits jumping from 8 million in 2008 to 11 million in 2009. Several Ministries and other Government entities operate regularly updated websites, including a newly launched website by the Ministry of Planning and Economic Affairs to disseminate information on our “Lift Liberia” Poverty Reduction Strategy. We urge that you consider the development of a Legislature website.

The Liberia Broadcasting System (LBS) was established on October 10, 1980, by Decree No. 20 of the People's Redemption Council as an autonomous public broadcasting agency, following the repeal of chapter 87 of the Public Authority Law that created ELBC in 1971 as a public corporation.

The system currently operate on Frequency Modulation (FM 99.9) in Montserrado County, utilizing the modernized giant tower and a large microwave satellite link, beaming a very strong radio signal from the Paynesville site of LBS, and supported by the system's out-station facilities, including seven mini-towers as well as microwave satellite links installed in Bomi, Bong, Lofa, Grand Bassa, Grand Gedeh, Maryland and Sinoe Counties. Expansion of the system was undertaken with support from the People's Republic of China. The sustained broadcast of radio and TV programs, features, jingles, adverts, among other related programs, immensely promoted Government's Poverty Reduction Strategy programs.

In fulfillment of LBS' policy on its manpower development initiatives, the management successfully sponsored four of its employees to participate in training programs abroad, notably, the People's Republic of China and Côte d'Ivoire. Local training opportunities were also offered other LBS employees.

During the reporting period, the LBS management signed separate agreements with two international television stations – Duetsche Welle TV (DW-TV) of Germany, which enables the Liberian populace to view live events as they occur in Germany and around the globe; and Channel France International (CFI), which grants LBS the right to televise international football, among other French programs via CFI television. Additionally, LBS' management has signed an agreement with CAfrica Sports Ltd., a U.S.-based company, which will give LBS the right to televise in Liberia one National Basketball Association (NBA) "Games-of-the-Week" plus one NBA "Action Highlights Show" per week.

If we are to improve our communication outreach, the Government will need to increase financial support to the LBS station to enable the management to procure needed state-of-the-art equipment and logistics, especially the procurement of OB facilities of radio and TV.

### *PARTNERSHIPS*

**Mr. Vice President, Mr. Speaker**, our nation continues to enjoy strong partnership and support from all over the world. Our development partners continue to rally around the “Lift Liberia” Poverty Reduction Strategy, our development agenda. Support for the Pool Funds continues to expand, and, more importantly, support through committed direct budget support has increased threefold over the previous three years, from US\$7 million to US\$33 million in 2009, as a direct result of the passage of the Public Financial Management Law.

Friendly countries and multilateral institutions, in 2009, continued to extend support to Liberia. As a result, Liberia has received significant contributions from our partners to the four pillars of our development agenda. The Security Pillar received US\$8.7 million in support and is expected to receive US\$26 million in planned support in 2010; the Economic Revitalization Pillar, which includes, mining, agriculture and forestry, received US\$109 million and is expected to receive US\$176 million in planned support in 2010; the Governance and Rule of Law Pillar received US\$25 million in 2009 and planned support for 2010 is US\$29 million; and the Infrastructure and Basic Services Pillar received US\$103 million and expected to receive US\$56 million in 2010, although it will be several months before the final data are compiled from donors.

Our partners are equally active in supporting our march to a complete debt waiver and economic governance. The IMF continues to support the HIPC process. The Governance Economic Management Program (GEMAP) has turned co-signatory authority over to Liberian comptrollers and will conclude in May. Under the leadership of the Ministry of Planning and Economic Affairs, the Government of Liberia has qualified

for a US\$15 million Millennium Challenge Corporation Threshold Program grant that will support land rights and access, girls' primary education completion rate, and the development of our trade policy that is critical to economic growth.

Our partnership with the NGO community continues to improve. In 2009, we strengthened our partnership with both national and international non-governmental organizations. For the first time, the Government of Liberia now has a base accounting of NGO activities that include not only projects listing and projects locations, but also projects costs. Accreditation process has been streamlined to ensure stronger alignment to the Lift Liberia agenda.

The Planning Ministry now records the formal accreditation of 529 NGOs, of which 72 are international. Also, the survey conducted by the MPEA in 2009 showed that NGOs have collectively executed projects totaling US\$256 million over the period 2008 through 2013.

**Honorable Members of the National Legislature**, the elimination of poverty is one of the biggest challenges facing the Government of Liberia. While we have come far since the end of our long national nightmare in 2003, we still have further way to go in ensuring that all Liberian citizens lead prosperous lives, free of the burden of poverty.

Over the last four years, most aid to Liberia came in the form of emergency humanitarian assistance, responding to Liberia's most immediate needs. Today, Liberia is implementing an ambitious path to long-term sustainable development. This shift in Liberia's needs must be accompanied by a change in the way in which both the Government and its development partners conceptualize aid, so that together we ensure that assistance to Liberia has maximum impact on the lives of the Liberian citizens.

Last year, we initiated discussion on aid effectiveness with our bilateral and multilateral development partners, with the aim of stimulating increased efficiency and efficacy in the provision and management of external aid. Under the leadership of the Ministries of

Finance and Planning and Economic Affairs, the Government is developing an aid management policy in the context of the Paris Declaration on Aid Effectiveness, and sets ambitious goals that respond to Liberia's situation and needs. We will complete the policy in 2010 that will be the outcome of extensive consultation with stakeholders from across the Government of Liberia, donor organizations, civil society and the private sector, and will act as a guiding framework for the management of aid in Liberia.

While the Government of Liberia makes important efforts to realize a gradual reduction of dependence on external aid, we see high-quality aid as crucial to Liberia's development in the medium term. Liberia is expected to reach the Highly Indebted Poor Countries (HIPC) completion point later this year, but the need for assistance in the form of grants delivered in an effective manner cannot be emphasized enough. With sufficient high-quality aid in the medium term, the Government can deliver efficient services to its citizens, stimulating economic development and poverty reduction.

It should be made clear, however, that all programs and projects supported by our partners represent our priorities as set forth in the PRS. Moreover, due to our limited capacity to implement, only about 17 percent of partnership support goes through our budget system.

## *INTERNATIONAL RELATIONS*

**Honorable Legislators**, the guiding principles of Liberia's foreign policy remain unchanged: maintaining a professional and well-equipped national security sector capable of protecting our territorial integrity and sovereignty; and promoting peace, development, and cooperation among nations in our region, continent and the world. We are pleased that since the incumbency of this Administration, Liberia's international status, reputation and creditworthiness have improved immensely. In 2009, our nation's credibility was hurt by the continuing media reports on corruption, justified or not. Fortunately, international representatives and visitors have been able to assess these reports in their proper context of the winning war on corruption. We can say,

unequivocally, that we succeeded in reorienting and changing the previously negative image of our nation abroad to a positive one.

Liberia maintains 22 diplomatic missions and two consular posts abroad. We also have 23 Honorary Consuls, Honorary Consuls General and Honorary Vice Consuls, spanning Africa, Asia, Europe, and the Americas. We appointed or reappointed 21 of these Honorary Consuls based on new guidelines which include security vetting of applicants and time-bound period of service. We continue to make progress in enhancing the level and timing of compensation for our foreign envoys, the majority of whom are performing well in their tasks of quality representation in promoting the principle of economic diplomacy.

Several European and African envoys from their various Capitals or Embassies in the sub-region presented their Letters of Credence during the period under review. They represented Finland, Australia, India, Malawi, Egypt, Mali, Malta, Israel, Equatorial Guinea, Namibia, United Kingdom, Ghana, France, Angola, and the European Union Communities. There are currently 13 Diplomatic Missions with Resident Ambassadors, 35 non-Resident Ambassadors accredited to the Republic, and 15 Honorary Consul Generals. We are pleased to note that while the Kingdom of Sweden is closing a number of its Embassies, it has decided to upgrade its office in Monrovia to an Embassy this year.

In November, we introduced the new machine-readable Liberia national passports. This will meet the global requirements of the International Civil Aviation Organization (ICAO) for compliant machine-readable passports which goes into effect in April 2010. You have raised, on behalf of several of your constituencies, concerns regarding the increase from US\$20 to US\$50 for the new passports. The reason is that these passports were ordered and produced during the past administration under a contract with financial credit from a private entity. Lacking the appropriation for the US\$7,612,500 involved for the contracted 350,000 passports, we could only issue the passports under an arrangement that allow a portion of the passport charge to be

credited to the entity concerned. The Liberian Bank for Development and Investment (LBDI) serves as the financial intermediary for this arrangement.

**Honorable members of the Legislature**, I am pleased to report a re-launch of the Foreign Service Institute (FSI) in September; and the introduction of an innovative approach to bringing into the Foreign Service “entry-level” junior diplomats, which includes the introduction of a “Development Diplomats” training program.

Visitors to Liberia included that, in March, of President Tarja Halonen of Finland and hundreds of international women leaders and participants in the International Women’s Colloquium. Attending as special guests of the Colloquium were President Abdoulaye Wade of Senegal and President Paul Kagame of Rwanda. As Liberia celebrated its 162<sup>nd</sup> Independence Anniversary in Gbarnga, we were pleased to receive as honored guests President Teodoro Obiang Nguema Mbasogo of Equatorial Guinea, President Hifikepunye Lucas Pohamba of Namibia, and Dr. Mohamed Ibn Chambas, President of the ECOWAS Commission.

I am equally pleased to report that as a result of the continuing positive image abroad and significant development progress at home, we continue to attract the visit of high-level world leaders to our country. During the course of last year, this included U.S. Secretary of State Hillary Clinton; Dr. Shashi Tharoor, Minister of State for External Affairs of India; Mrs. Helen Clarke, Administrator, United Nations Development Programme; U.S. General Richard Ward of AFRICOM; a UN Security Council Sanctions Committee delegation headed by U.S. Ambassador Susan Rice; the Rt. Hon. Jack McConnell, Special Representative of Prime Minister Gordon Brown; Madam Hajiya Dr. Turai Umaru Yar’Adua, First Lady of the Federal Republic of Nigeria; a delegation headed by General James F. Amos, Assistant Commander of the U.S. Marine Corps; and Mrs. Elizabeth Rehn, former Defense Minister of Finland.

I was privileged to pay working visits to the United Kingdom, the sisterly States of Benin, and Guinea, and to participate in the Investiture of President Teodoro Obiang Nguema

Mbasogo, in Equatorial Guinea. I also participated in the following activities: the Symposium on “New World, New Capitalism,” in Paris; African Union Summits in Addis Ababa, Ethiopia, and Sirte, Libya; the EITI Conference in Doha, Qatar; the launch with President Koroma of Sierra Leone in the Across the River Peace Park in Kenema, Sierra Leone; the CENSAD Summit, in Tripoli, Libya; ECOWAS Summits, in Abuja, Nigeria; in the margins of the September UN General Assembly, New York, a luncheon hosted by U.S. President Barack Obama for Sub-Saharan African Heads of State, and a Meeting on Peace and Security through Women’s Leadership: Acting on 1325 and Climate Change. Additionally, I participated and spoke at the Fourth European Development Days, Stockholm, Sweden, and at the Forum on China-Africa Cooperation, Sharm El Sheikh, Egypt.

**Honorable Legislators**, I am pleased to note that Liberia remains a strong player in West Africa, and is fully involved in the negotiation and settlement of sub-regional crises. We participated in all ECOWAS summits and ministerial meetings, including the Special ECOWAS-Spain Summit in Abuja in June. I headed a high-level ECOWAS Mission to Niger to intervene in the constitutional crisis that had developed in that sister republic. In our capacity as Chair of the Mano River Union, Liberia participated in all seven sessions of the International Contact Group on Guinea (ICG-G) promoting constructive engagement while supporting the positions of the AU, ECOWAS and the ICG-G concerning Guinea. As a result of this constructive position, I was able, a week ago, to use opportunity granted by the ECOWAS mediator, Burkina Faso President Blaise Compaore, to join in the effort that has placed Guinea on the road to democracy.

During a trip to the United States last April, I had the opportunity to meet Secretary of State Hillary Clinton who reiterated the commitment of the United States Government to Liberia with emphasis on support for the LNP in preparation for the UN Peacekeeping force draw down and for the 2011 elections.

## **OBITUARY**

**Honorable Legislators, distinguished Ladies and Gentlemen:** During the past year, a number of former officials of Government and prominent citizens departed this life for the great beyond. Among these were:

- Honorable Wilton Sengbe Sankawulo, former Chairman of the Council of State, Liberia National Transitional Government;
- Cllr. Emmanuel Nyan Gbalazeh, former Chief Justice of the Supreme Court, Republic of Liberia;
- Honorable Hannah Garmai Brent, former Senator, Montserrado County;
- Honorable Dorothy Musuleng Harriet Eugenia Cooper, former Minister, Ministry of Foreign Affairs;
- Professor Abraham Lamina James, former Special Assistant to President William V.S. Tubman and former Legal Advisor to Vice President Joseph Boakai;
- Her Excellency Eugenia Anna Wordsworth-Stevenson, former Liberian Ambassador to the United States of America;
- Honorable Jenkins Dwapily Dunbar, former Minister of Lands, Mines and Energy;
- Honorable Keith Jubah, former Chairman, Public Procurement and Concessions Commission (PPCC);
- Honorable Leonard Theophilus DeShield, Sr., former Chief of Protocol, Republic of Liberia;
- Ambassador Joseph Getehmnah Morris, Sr., former Ambassador of the Republic of Liberia;
- Roger Francis, former Ambassador-at-Large;
- Atty. James Wragon Mayon, former Senior Legal Counselor, Ministry of Foreign Affairs.

The list also included:

- Ambassador Hilary Barbington David, Sr., former Ambassador-at-Large and lecturer, Foreign Service Institute;
- Ambassador Aaron Jonathan George, former Ambassador, Republic of Liberia;
- Ambassador David Thomas, former Liberian Ambassador to the United Nations;
- Honorable Ben Turtur Donnie, former Executive Director, Environmental Protection Agency;
- Honorable William Frank Enoanyi, former Director for the Bureau of Public Affairs, Ministry of Information, Culture and Tourism;
- Honorable Brownie Jeffery Samukai, Sr., Former Kissi Governor;
- Honorable Wilfred Kajani Lardner, Sr., former Sports Coordinator, Ministry of Youth and Sports;
- Ambassador Charles Ansumana Cooper, former Liberian Ambassador to Japan;
- Honorable Thomas D. Voer Hanson, Sr., former Governor and Chief Executive Officer;
- Honorable Cyrus Sobu-Sohn Cooper, former Representative, Grand Gedeh County;
- Honorable Alphonso J.F. Kumoiteh, former Representative of Sinoe County;
- Honorable Alfreda Debena Johnette King, former Representative, Sinoe County;
- Honorable Robert Mawlu Karloh, former President of the African Amputee Confederation;
- Honorable Morris Nalundi Basi-Giah, Sr., former Representative, Grand Bassa County;
- Honorable Florence Adelaide Dayrell, former Representative of the Transitional Legislature Assembly;
- Honorable Eric Miedi Hinne Neufville, former Deputy Minister, Ministry of Lands , Mines and Energy;

- Honorable Chauncey Samuel Prout Cooper, former Managing Director, Liberia Broadcasting Corporation;
- Honorable Beuford Jackson Taylor, Sr., former Assistant Minister, Ministry of Internal Affairs;