

ANNUAL MESSAGE

To the

Third Session of the

52nd National Legislature of the Republic of Liberia

By

**Her Excellency Ellen Johnson Sirleaf
President of the Republic of Liberia**

Capitol Hill, Monrovia

Monday, 28th January 2008

Mr. Vice President;

Mr. Speaker, Mr. President Pro Tempore;

Honorable Members of the Legislature;

Mr. Chief Justice, Associate Justices of the Supreme Court and Members of the Judiciary;

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 Chief-Of-Staff, Men and Women of the Armed Forces of Liberia (AFL);

Former Government Officials;

Traditional Leaders, Chiefs and Elders;

Political and Business Leaders;

Labour 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 honour for the third time to report to you on the affairs of our nation. First, in homage to the Almighty God by whose Supreme Will we are guided, I ask that you join me in observing a moment of silence. We do so also to the memory of the cherished Liberian leaders and other citizens who have passed to the great beyond.

Honourable Members of the Legislature, Distinguished Ladies and Gentlemen, Fellow Liberians. We said last year that we could not bring quick fixes to the monumental problems that we inherited, and we did not promise that we would. We expected therefore that during the year 2007 our tasks would be difficult and our challenges demanding. Nevertheless, we can now say to you with confidence that Liberia's recovery is fully underway. The economy is expanding with growth accelerating to over 9 percent last year. Roads and buildings are being rebuilt; hospitals, clinics and schools are reopening and agriculture production is on the rebound. The Government is introducing a broad set of policies to foster peace, accelerate reconstruction and development and build strong systems of governance. There is still a long way to go but there can be no doubt that Liberia has launched its recovery and is poised for rapid, inclusive and sustainable development in the years to come.

LEGISLATIVE AGENDA

Honorable Legislators, we are grateful to your Honourable Body for the passage of several pieces of Legislations and instruments of ratification during the past year. Notably among these are the Telecommunications Act, the Census Act, the Governance Commission Act, and amendment of Section 1508 of Chapter 16 of the Labor Practices Law which aims at ameliorating disputes between employees and employers.

We also thank you for ratification of the Oil Production Sharing Contracts between the Oranto and Broadway companies of Nigeria and the United Kingdom respectively. Our Administration issued only two Executive Orders during the period under review: **Executive Order #8** to extend the mandate of the National Commission for Disarmament, Demobilization,

Reintegration and Rehabilitation; and **Executive Order #10** which revised **Executive Order #9** to extend the suspension of the protective tariff on cement.

Mr. Speaker, Mr. President Pro Tempore, we applaud the leadership that you brought to this legislative effort and I want to acknowledge the special diligence of the Vice President, Honorable Joseph N. Boakai as, President of the Senate. He has been a competent Assistant taking from my shoulders, onto his own, responsibilities for investment promotion, international representation and resolution of institutional disputes.

Mr. Vice President, I thank you for your loyalty and exceptional support.

Honourable Legislators, we solicit your continued support and consideration of those draft Legislation still pending before you some of which have important implications for the final resolution of our debt problem, for the achievement of our goals of national renewal and for the safety of our people. These include *the Anti Corruption Commission Act, the Code of Conduct Act, the Acts Amending the Investment Incentive and Revenue Codes and the Act to Amend the Penal Law*. Also pending before your Honorable Body are the *Acts to Amend the Comium Concession and the Act Establishing the Veterans Bureau* as well as *Acts to limit the ability to transfer between budget lines; and to merge the Bureau of the Budget into the Ministry of Finance*.

For this third Session of the Fifty-Second National Legislature, we will be submitting for your enactment several proposed Legislation intended to consolidate the progress and meet the challenges under our four pillars of nation building. These will include: the revised *National Defense Act*; the *Security Sector Reform Act*; the *Act to Amend Certain Sections of the Act Establishing the Independent National Commission on Human Rights (INCHR)* and an *Act to Create and Establish the Liberia Airport Authority*.

And although it has now emerged that our Petroleum Law does not require the ratification of Production Sharing contracts, in as much as we had submitted the first two for your approval, we will now also ask you to consider and ratify the Oil Production Sharing Contracts between

our National Oil Company and other exploration companies including Repsol of Spain, Woodside of Australia and Regal of the United Kingdom.

Additionally, we expect to submit for your ratification Amendments to the Firestone, Liberia Agriculture Company and other Agriculture concessions agreements and Concession Agreements for the Iron Ore deposits in the Western Cluster and the Bong Mines operation. In this respect, Honourable Legislators, I am pleased to report that after a vigorous and professional exercise involving the work of seven Government entities, the Delta Mining Consolidated Ltd. of South Africa has won the bid for the Western Cluster with an indicated potential investment of US\$1.6 billion. The process now moves to the next stage of validation that will undertake due diligence of all the major bidders to determine their capacity to make the stated investment in full and on time. The Inter-Ministerial Group has now started the process of bid evaluation for Bong Mines. In addition to this new development, we are pleased to note that during the past year, Arcelor Mittal increased its investment from US\$1 billion to US\$1.5 billion.

Mr. Speaker, Honourable Legislators, let me now report on the state of the nation, the progress which we have made and the challenges which we face under the four pillars of our development framework.

PEACE AND SECURITY

Under the peace and security pillar, within the context of our Security Sector Reform, one thousand and one hundred men and women have completed the basic training to become the first core elements of our target two thousand persons new Armed Forces of Liberia. We have nominated to the Honourable Senate sixteen persons to be commissioned as 2nd Lieutenants, the first group of Officers for the Army. We believe, Honourable Legislators, that you will be proud of these gallant men and women when they are presented to us on February 11, Armed Forces Day.

The training of the Army will continue for the remaining nine hundred and officers training will continue with key support from the United States supplemented in specific areas by support

from our sisterly Republics of Nigeria, Ghana and Benin. Additionally, today two hundred of our soldiers are in training at the Nigeria Command Army Staff College.

In this connection, I would like to pay particular tribute to our sister state Nigeria which has provided the leadership for our Army until our own new men and women are prepared. We commend General Luka Yusuf who served as the first Army Chief of Staff and who has returned home to take up the position of Chief of Army Staff, and we commend equally his successor, General Suraj Abdurrahman.

Honourable Legislators, the Peace Keeping Force of the United Nations Mission in Liberia with a current strength of 14,700 continues to carry the prime responsibility for the protection of our people and the integrity of our geographic borders. The draw down plan for the Force has been formulated, consistent with the readiness of our own forces with allowance for flexibility to meet any changes in our national situation.

Under the Security Sector Reform, UNMIL provides support for the restructuring and training of the National Police Force. To date, 98 percent of the 3500 police officers have completed training at the Police Academy and are gradually deployed in each of the fifteen counties. Seven of the twenty-two commissioned officers are female. However, in order to ensure that the new democracy is sustained and that the nation is privileged with men and women of integrity in the system, the vetting process is continuing and those found not to be fit for the task or who show disrespect for the law and for the citizenry will continue to be weeded out of the system.

Honourable Legislators, as you will note in the draft Security Sector Act, we propose to establish a Rapid Reaction Force of five hundred whose purpose and function may not be fully understood by all. This force, equal to the gendarmes in the Francophone system, or the SWAT team in the American system, is not like the sub-judicial force of yesteryears. It will be part of the National Police Force, subject to the authority of the Police and Justice leadership and to oversight responsibility by the Police Civilian Board that will also be established by the

Act. We will continue to build a police force that is responsible to citizen's needs, that acts with a high professional standards and ethical conduct, and regains the confidence of our people.

Also to be trained are two hundred officers of the National Security Agency and two thousand officers of the Bureau of Immigration and Naturalization (BIN) agencies which form important elements of the security sector architecture that is proposed by the Act.

During the period under review, the Bureau of Immigration and Naturalization admitted 238,105 aliens into the country, while 119 were refused admission for various reasons. Of the total number of aliens admitted, 62,383 were Nigerian nationals, followed by American at 14,782 and Chinese nationals at 13,895.

Three persons submitted application for naturalization as Liberian citizens and 1,711 aliens applied for and were transferred from visitor to resident status. The issue of dual citizenship wherein some Liberians hold foreign passports while at the same time claiming Liberian citizenship continue to pose problems for the Bureau. There is need to find a solution to this problem which represents a potential as relates to Liberians in the Diaspora.

Honourable Legislators, we are concerned that during the year also, a total of eighty-four fires were recorded affecting 1,571 persons and casualty of eighteen, including in many instances very young children. Most of the fires were the result of the use of candles and other electricity substitutes. Although partners have been kind to donate a few fire trucks, I will ask your support through the budgetary process to respond more adequately to this need.

During the period, the Drug Enforcement Agency (DEA) arrested one hundred and seventy-nine drug offenders representing an increase of 44 percent over the same period last year. Many of those arrested were foreigners, raising concern that there is need for greater patrol by the immigration and customs, and by the Liberian National Police. The DEA also destroyed huge quantities of Marijuana, Cocaine, and Heroine. Out of the one hundred and seventy-nine suspects forwarded to the magisterial courts during the period, only nine were convicted and

sentenced to between three and nine months, a clear indication that we need a more effective response to this growing menace that threatens the future well being of our children.

Honorable Speaker, the increase in reported rape cases, armed robbery, murder and other grave offenses, has necessitated the establishment of a special Prosecuting Unit dedicated exclusively to gender violence and the establishment of a Special Mobile Prosecuting Team with the ability to be deployed in any part of the country. The effect of this unit is expected to be felt soon within the entire nation.

Finally, there is the Special Security Service which we propose to rename the Executive Protection Service, thereby sending a clear signal as to their limited role and a clear departure from the reputation and malpractices of the past. We will ask the understanding and the indulgence of all as the size of the force is scaled down, consistent with its intended purpose, while the police takes over some of the services which they now provide.

Honourable Legislators, we are conscious of the fact that the security of our people goes beyond the protection from physical violence. We know that we must continue to find effective responses to those things that endanger their basic survival – long periods in custody, inadequate correction facilities, death and property destruction from fires, land and property rights, theft, rape and other forms of gender-based violence, ethnic tensions, reintegration of ex-gunmen and ex-combatants, repatriation and reintegration of refugees, and drug abuse.

ECONOMIC REVITALIZATION

Mr. Speaker, Mr. President Pro-Tempore, the overarching objective of our economic revitalization program is to build an open, strong, competitive economy with strong international trade linkages and significant foreign investment. The first element of our strategy for achieving these objectives, over the next few years, is to restore production in our traditional natural resource activities, to rebuild infrastructure and set the stage for economic diversification by adding value to our primary products.

Experts have said that every successful growth effort in agriculture is four times more effective in reducing poverty than any similar effort elsewhere. Thus, during the year, a strengthened Agriculture Ministry provided stimuli to smallholders production by distributing rice seeds and tools to some three thousand (3,000) farmers and establishing seed multiplication sites; by renovating fish hatcheries, by training hundreds of farmers and youth in integrated farming production. It may be recalled that satisfying results of this effort was displayed in November at the Agriculture Fair in Tubmanburg. The reactivation of the Central Agriculture Research Institute (CARI) at Suakoko and the establishment of an Agriculture Research Center will provide the testing and introduction of improved varieties of our basic staples. The ongoing collection of data on agriculture and related conditions will enhance the completion of our agriculture policy framework and the National Food Security and Nutrition Strategy and Action Plan.

In the Agriculture Concessions Sector, we are pleased to report the conclusion of renegotiations of the Firestone Plantations Concession Agreement which includes aggregate investment on the order of US\$130 million in replanting, and the establishment of a rubber wood processing plant. This model agreement subjects Firestone, for the first time in its eighty-two year history of operations, to the payment of taxes of general application; to a five year plan of providing better living conditions for workers and employees; and to limited land holdings. This framework will guide renegotiations of Concession Agreements for the Liberian Agriculture Company (LAC) in Grand Bassa, the Cavalla Rubber Plantation in Maryland, the Guthrie Rubber Plantation in Bomi and Capemount counties, and the Cocopa Rubber Plantation in Nimba all of which are in various stages of reactivation. The Firestone model will also serve as a framework for the negotiation of agreements for the reactivation of Oil Palm operations, such as the Equatorial Biofuels/LIBINCO in Grand Bassa, the Butaw plantation in Sinoe and the Decoris plantation in Maryland.

We are also pleased to note that a Liberian owned plantation, Morris American Rubber, is now poised to become the first operation to add significant value to their natural rubber production through a US\$2.5 million industrial plant that has been established with the support of our own bank the Liberian Bank for Development and Investment (LBDI).

To ensure that our rubber industry is revived to benefit from projected long term favorable world market prices, we must quickly implement the tax which will establish the Rubber Development Fund to support loans and credits through the banking system to small and medium sized Liberian owned plantations.

Although still small in its contribution to Gross Domestic Product (GDP), production of coffee and cocoa are on the rebound and are expected to increase significantly over the medium term. Other non traditional crops are being explored with the particular objective of identifying products that can be exported to the United States under the African Growth and Opportunity Act (AGOA) for which Liberia is now eligible.

In the mining sector, the world's largest steel company, Arcelor Mittal has started the reactivation of operations at Mount Nimba in Yekepa and in Buchanan. Similarly, operations at the Western Cluster deposits comprising the old National Iron Ore Company and the Liberian Mining Company in Bomi and the Bea Mountains in Gbarpolu are expected to start this year. The same can be said for activities at Bong Mines once the ongoing bidding process is concluded. We will continue to explore the potential for investment in other mining activities such as the Wologisi deposit in Lofa County and we intend to convert from Exploration to Mineral Development Agreement several of the exploratory operations in gold, diamond and other minerals undertaken by some twenty-six entities throughout the country.

We are also pleased to report that following the lifting of UN sanctions on diamond exports last year, Liberia gained full membership into the Kimberly process Certification Scheme. In response, we exported diamonds with an assessed value of US\$1.8 million while export of gold was valued at US\$4.6 million.

Honourable Legislators, forestry operations will commence in March of this year under the new Forestry Law made operational last year. Approximately 275 thousand hectares are targeted for production this year and 500 thousand hectares next year. These operations will aim at Liberian participation and concentration in those areas that are readily accessible. Over a three

year period we expect to exploit a target of 2.9 million hectares of forest for commercial and community activity with 1.2 million hectares allocated for conservation and tourism. The chain of custody process to be managed by the reputable Société Generale Surveillance (SGS) will ensure that unlike the past, resources from this sector are carefully monitored, are fully accounted for, sourced from legal origin and are used solely for national development.

In the area of commerce, total trade climbed to more than three times its average post conflict with a value of over US\$676 million. Exports, essentially rubber, increased significantly during the past year, but was far outpaced by imports reflecting a general expansion in the economy and increased purchasing power for consumer goods. Increases in the price of strategic commodities such as rice and cement continue to pose a challenge. The Ministry of Commerce can quantify those causes that relate to higher world market prices and freight costs and to illegal movement across borders to fetch higher prices in our neighboring countries. For example, world prices of rice and grain are at all-time highs, so consumers all around the world are feeling the pinch. More difficult to pin down however are the increased costs relating to profiteering, and to the poor condition, inefficiencies and corruption at the Port and at other ministries and agencies involved in the processing and monitoring of trade transactions.

We have thus appointed a Five Person Committee, headed by Dr. Togbah Nah Tipoteh and comprising tenured economists including Mr. Paul Jeffy, Ms. Amelia Ward and Mr. Emmanuel Gardiner to examine the causes of these increases and make recommendations to Government on the corrective measures to be taken. In the meanwhile and until their report is made, I propose to suspend for the remainder of the fiscal year, the US\$2 tax on a bag of rice. This will be done on an interim basis by Executive Order for immediate effect until you have had time to consider the overall tax reform proposal which is being finalized for submission to you.

This suspension relates to a decrease of US\$3.6 million in revenues and will thus have to be included as an offsetting expenditure in the Supplemental Budget that will be submitted to you.

We are pleased to note that business registration grew by 29 percent of which 13 percent were non Liberians. The public-private partnership initiative promoted by the National Investment Commission (NIC) and, the facilities established at local commercial banks will strengthen our effort to support Liberian entities and entrepreneurship.

Honourable Legislators, in maintaining the rule of law and the application of international labor standards to regulate decent work and the guarantee of fundamental rights, the Ministry of Labour constituted The National Minimum Wage Board in keeping with Section 501 of the Labour Practices Law of Liberia; initiated amendment of Section 1508 of the Liberian Labour Law which brings relief to ordinary workers; established the National Child Labor Commission; and a National Anti-Human Trafficking Task Force.

The long standing leadership dispute within the Firestone Agriculture Workers' Union of Liberia (FAWUL) was addressed by the holding of free and fair elections, the first to be conducted in a transparent manner with massive participation of workers. The Supreme Court ruling in the contested election has brought a certain amount of tranquility to the plantation.

During the year the Ministry's Liberia Emergency Employment Program (LEEP) and Liberia Employment Action Program continued to address the employment needs of thousands of unemployed youth creating a total of 71,349 short term emergency jobs around the country. A total of 1,944 individuals were trained in various vocations of which 497 gained sustainable employment.

Honourable Legislators, the year 2007 witnessed a significant increase in the number of investors seeking investment initiatives through the National Investment Commission. This translated into aggregate investment of US\$97 million, including US\$30 million in support of Liberian businesses from the noted African American Robert Johnson and US\$1.5 million from the African Development Foundation. The Buchanan Renewable Energies project with support from a Canadian investment fund is well on the way with an investment of US\$10 million in the processing of old rubber trees for export and for a potential energy source at home. Over 2000 jobs are expected to result from these National Investment Commission initiatives.

We are now exploring with private investors of the Peoples Republic of China, the building of an Economic Free Zone in Buchanan, as Liberia has been selected as one of the three African countries for this activity. If materialized, the economy of Liberia will experience a significant boost in terms of industry, exports and employment.

Honourable Legislators, over the years we created twenty Public Corporations or State Owned Enterprises to cover a range of services to the public. Several of these entities have become moribund over time and others have become a liability to Government. Our policy objective in this regard is to dissolve those entities that are no longer operational or relevant and we ask your cooperation in repealing the concerned statutes when submitted to you. Other entities of operational significance and/or potential competitiveness will be supported in their effort to add value to their assets until such time that they can be privatized either in part or whole through equity infusion or management contracts or use of the Build, Operate and Transfer (BOT) model.

Notable among the viable entities are the Liberia Petroleum Refining company (LPRC). Perhaps based on a misunderstanding of the complex issues involved, LPRC has received a lot of criticisms over its operations but let us be mindful that we inherited an LPRC with a cash reserve of only US\$50,000. In two years, this Corporation has paid off US\$2 million in debt, disbursed US\$1.5 million to four hundred redundant employees, made dividend payments of US\$500,000 to Government and presently has a cash reserve of over US\$7 million that will be used to finance long overdue repairs to its facilities. The same potential exists for the National Port Authority which is still struggling with a bloated staff and with widespread financial malpractices.

Relatedly, we are pleased to report major improvement in the performance of the National Social Security and Welfare Corporation which recorded 2,660 new entrants reflecting an increase to 65,883 in total number of persons covered. Contribution collected totaled approximately US\$8.8 million from which benefits of US\$1.1 million was paid to some 3,211

insured persons and their dependents. We expect in the near future to transfer the management of the Government pension program to NASSCORP.

Mr. Speaker, we know that a vibrant financial sector is essential to economic growth and social progress. Hence we are pleased to report that our key financial institution, the Central Bank of Liberia, is now in a healthy, if still undercapitalized position, and is leading the government's financial sector reform strategy which focuses on promoting competition and efficiency in the system to allow more effective support of the private sector. The Capital Adequacy Ratio of the banking system improved from 12 percent in 2006 to 23 percent last year. Commercial banking activities also expanded with an increase of 34 percent to US\$158 million in total bank deposits. This provided the basis for a 35 percent expansion of credit to the private sector, a significant proportion of which was directed to small and medium sized entities. Banking licenses were granted to two new entities which will join the existing five commercial banks that have established thirteen branches in four counties - Margibi, Bong, Nimba and Grand Bassa. The Central Bank, with technical support from the International Monetary Fund has strengthened its surveillance of the commercial banks and its one hundred and eighteen licensed foreign exchange bureaus. Effort is now underway to commence the study of the insurance sector which comprises twenty companies many of which lack the capital and the capacity to provide such services.

Although this provides limited means to use instruments that affect growth and the exchange rates, Liberia in the past year and for the next few years will continue the dual currency regime of the U.S. and Liberian dollars.

Mr. Speaker. Mr. President Pro Tempore, long overdue debts to the World Bank was cleared through an exceptional grant of US\$421 million in early December of last year. The African Development Bank also cleared Liberia's debts of US\$250 million on December 18th. In other words, more than US\$670 million in debt has been wiped off the books. This is the first time in 20 years that Liberia has been in good standing with these two venerable institutions.

Additionally, in November the IMF Board agreed on a financing arrangement that ultimately will allow the IMF to fully forgive Liberia's debts of US\$920 million. In the coming weeks this arrangement will be finalized thereby returning Liberia to good standing at the IMF. At that time, Liberia will reach its Decision Point under the Heavily Indebted Poor Country (HIPC) Program, after which we will not be required to make most of the debt service payments falling due to major creditors. We will then work with bilateral and commercial creditors for a substantial write-down of remaining debts. This debt relief road is long and difficult as full and irrevocable debt forgiveness from the IMF and other creditors will not occur until mid-to-late 2009 at the earliest. In the meantime this will allow us to keep our debt service payments to the bare minimum. We should all be proud of the success to date under a process that will restore Liberia's creditworthiness after two decades of debt accumulation and creditor sanctions.

Honourable Legislators, our revenue target for the calendar year, January 1, – December 31, 2007 was US\$152.5 million. Actual collection for the eleven months covering January 1 – November 30, 2007 was US\$163.3 million, exceeding annual projection by 7.08 percent. When annualized, revenue is expected to amount to approximately US\$178 million which represents US\$25.6 million or 16.81 percent over performance vis-à-vis projections. This includes revenues of approximately US\$13.5 million from our Maritime program compared with US\$12.9 million in 2006.

Expenditure for the period January 1, through December 31, 2007 totaled US\$166.92 million or 2.3 percent below projections reflecting continuing challenges of operational planning and procurement stemming from severe capacity constraints. Nonetheless, expenditure for the calendar 2007 was about US\$65 million above the total in the previous year. The excess revenue could form the basis of a supplemental budget that would be submitted for your consideration and approval.

GOVERNANCE AND THE RULE OF LAW

Mr. Speaker, Mr. President Pro-Tempore, Honourable Legislators, the Government's overall goal with respect to the rule of law is to build strong and effective institutions that support democratic governance, justice and human security.

Although some improvements can be noted, we must admit that we have fallen far short in the achievement of our goals under this pillar. Public Sector reform which aims at improvement in the effectiveness and performance of the public service is still hampered by major capacity gaps and low compensation levels. Special programs supported by external partners and special allowances for strategic positions have tried to address this problem in an ad hoc manner. The ongoing civil service restructuring plan and strategy, which is to go into effect in the next fiscal year, aims to build a merit-based, professional system of recruitment, compensation, performance and retirement. We wish to base our civil service upon a depoliticized system and match the size of the Government with our resource capacity.

Toward this end, during the year the Civil Service Agency (CSA) and the Ministry of Finance continued to eliminate ghost names from the payrolls bringing to 12,300 the number of names purged and implying savings of nearly US\$4 million. This has also reduced the Civil Service active duty workforce from 43,000 to 33,000. The introduction of a biometric identification system to be installed in the next fiscal year will substantially improve the security and reliability of our Human Resource Management Information System that will eliminate the ghosts. The Agency also initiated a rural civil Service Out Reach program designed to take civil service to those deployed in the rural areas.

In building a system of national integrity we have also fallen far short of our stated goals. Implementation of the Public Procurement Concession Act and the GEMAP Program have helped to strengthen our effort but the General Auditing Commission continues to be bogged down by public squabbles. We are pleased to note that in the most recent edition of the World Bank Institutes' Worldwide Governance Indicators, Liberia scored the second largest improvement in the 2006 index of control of corruption. Yet, we do not fool ourselves for we know, despite this improvement, that corruption is alive and well.

Thus, our efforts will continue to implement the Anti-Corruption Policy and Strategy that have been adopted and we will ensure accountability of the resources generated in our mining and forestry sector through the Extractive Industries Transparency Initiative (EITI) which we have

joined. We are pleased to note in this regard that the Multi-Stakeholders Group of the EITI which includes four members of Civil Society is established and working well.

We ask you, Honourable Legislators, to assist us by passing the Act providing for a Code of Conduct by public officials and the Anti Corruption Commission Act. We are also preparing a draft Act to amend certain provisions of the applicable Penal Law to establish as criminal offenses all acts of corruption and to enact a Freedom of Information Law and Whistleblower Statute. At the same time, a stronger program of sensitization and public awareness on the ill effects of corruption will need to be undertaken.

Honorable Legislators, our commitment to transparency and accountability is demonstrated by the several official documents published and made public throughout the past year. In addition, the Minister of Information, Cultural Affairs and Tourism kept an open line of communication with the media and the public. The first draft of an Information and Communications Technology Policy has been formulated following the first ever ICT Conference in Liberia in April last year. Moreover, the Executive Mansion launched its website in May and has received over 5.7 million hits.

Yet we know that we still have difficulties in communicating to the public the progress and prospects of our development agenda. The 24-hour broadcasting service launched by the Liberian Broadcasting System will help with the establishment of an FM service in all fifteen counties.

On the other hand, respect for our cultural heritage grows as we continue to promote the values of our cultural troops and seek to encourage the talents of our young citizens through programs such as the “Star is Born” . Although the number of facilities which serve tourists continue to grow, now registered at 150 accommodation, 75 restaurants and 15 beaches, our vast tourist potential which rest outside of Montserrado County remains untapped due to the poor state of our infrastructure.

Honorable Legislators, we are pleased to note that the National Election Commission was active during the course of the year successfully completing bi-elections in Nimba, Grand Bassa and Gbarpolu counties implying aggregate budgetary allocation of US\$850,000. The Commission is also playing a role in the mapping exercise to resolve boundary issues and establish a realistic number of administrative sub-divisions for election purposes.

Honourable Legislators, if we are to achieve our objectives in the areas of Governance and the Rule of Law, other measures will need to be taken. The judiciary is improving but will need to undertake stronger measures to serve as a fair and impartial arbiter of disputes and as a protector or guarantor of the fundamental rights of the people. Our prosecution system, our court and correction systems, our compensation and benefits system to ensure independence and enhance integrity will require more effective response; even as we await action on the part of the Governance Commission to provide the recommendations that will provide the framework for the drafting of legislations to establish a Law Reform and Land Reform Commission. Additional measures to be undertaken on enforcement will include a decentralization of the national governance system, a strengthening of Civil Society participation in governance, and continuing effort to address gender inequities.

In this regard, I wish to report that in efforts to improve women empowerment the Ministry of Gender launched a program under which 2500 women received training opportunities in six centers. Representatives of six women organizations received training in leadership and home economics and thirty benefited from training in agro processing and micro enterprise management.

A special unit at the Ministry of Gender was established to address the increasing incidence of gender based violence. Honorable Legislators, we must all be alarmed by the incidences of rape which continue at an alarming rate involving children of young age. Ongoing investigation by the Ministry of Justice in recent cases seem clear in the findings that these young women suffered and died from sexual assault. We must prosecute all such criminals without mercy. We must name and shame them. We must help parents to expose them. We ask the Association of Female Lawyers (AFELL) to work with us in this regard.

Honorable Legislators, it is perhaps time to revisit the proposal for action or legislation that will increase women representation throughout government recognizing that the current 14 percent is far below the 30 percent required by UN resolution to which we are a signatory. I will work with the women caucus of your Honorable Body toward the achievement of this goal.

Mr. Speaker, Honourable Legislators, some 45 percent of our population fall below the ages of fifteen meaning that we must adopt policies and measures that will respond to the challenges of our youthful nation, many of whom are still scarred by the wounds of conflict. A National Youth Policy which was formulated essentially by the youth organizations themselves will go into effect this year. Our sports program which covers a large number of youth is now being revived with completion of the Samuel Kanyon Doe Complex and continuation of the County Sports Meet which is ongoing. With support from one of our private partners, some six (6) playgrounds are under construction in four counties – Maryland, Grand Gedeh, Bong and Nimba. On the disappointing side is the performance of our National Team, the Lone Star which has failed to justify the budgetary support provided as an initial impetus for improvement in performance.

In contrast, our own Liberian Amputee Football team established only last year was the only African team to reach the World Cup Amputee Football Championship and to win the award of best Goal Keeper of the tournament. We applaud our amputee stars as this is a clear indication of some measure of success under our National Commission for Disarmament, Demobilization, Rehabilitation and Reintegration (NCDDRR) program. In respect of this program, we are pleased to note that the last and final phase to cater to a case load of 8,789 former fighters has begun with support from the Government of Norway. This will bring to some 112,000 the number of ex-combatants so served.

Honourable Legislators, as we move our country out of a period of more than twenty-five years of conflict and upheaval into one of peace, stability and reconstruction, it is perhaps timely that we begin to think about possible changes in our Constitution so as to bring it more in line with modern practices of governance.

Our original constitution of 1847 and the revised Constitution of 1986 have undergone several changes and through these changes major political and social milestones have been achieved. But there is still room for improvement and the need for revisions, especially so since the last constitutional changes of 1986 may have been influenced by an anxiety and haste to return the country to civilian rule.

Among some of the possible issues for consideration are land reform, the election of Superintendents, Mayors and other county officials as well as the tenure of the office of the President, the Vice President and the Members of the National Legislature.

It is important however that we do not approach the reform of this sacred instrument on an ad hoc basis or to achieve short term political goals. Rather, the Governance Commission should take a detailed and comprehensive look at all the provisions and in consultation with a wide cross section of our people undertake the process that will lead to recommendations to be submitted to your Honourable Body for consideration and onward submission to the people of Liberia through a constitutional referendum. It is my hope that all this can be accomplished over the next two years, at the most.

REHABILITATION, INFRASTRUCTURE AND DELIVERING BASIC SERVICES

Mr. Speaker, Honourable Legislators, upon our assuming these high offices in January 2006, the infrastructure inherited was in a state of total disrepair. Roads, electricity, water and sanitation systems, schools and health care facilities were almost all destroyed or in need of repairs. Our Capital City lacked electricity and pipe borne water for some fourteen years. Of the total road network of 6,162 miles, only 456 miles notionally paved, the 1,500 miles of feeder roads were largely back to bush and public works equipment capacity had reduced from 270 to 35 pieces of equipment. It has taken some time to mobilize the resources for these high capital cost rehabilitation, but we are now firmly on the path to do so.

During the past year, we finalized contracts or agreements that will repair major roads throughout the country. Work has started on the loop from the Freeport through Tubman Boulevard to ELWA junction, from the Freeport through Somalia Drive to ELWA junction and from the ELWA junction through Robertsfield to Buchanan. Several streets in Monrovia will be repaired as will the road from the Freeport to the St. Paul River Bridge. The Jallah Town road representing a learning experience for our own engineers and workers will be corrected and finalized. Ongoing work on the Zorzor-Voinjama-Foya axis will continue with work the Gbarnga-Zorzor starting soon. Work on the Gbarnga–Ganta-Tappita–Zwedru and the Zwedru–Fishtown are also starting and on the Fishtown-Barclayville as well. With exceptional support from the African Development Bank, we look forward to a start this year on the Plebo-Harper segments and support from Arcelor Mittal will commence paving of the Ganta Yekepa road this dry season.

The reconstruction of the Tubmanburg-Bopolu road is largely completed and the design of the Bopolu Belle Yalla road is underway. Work on the Todee road is about to start with the Medina-Robertsport road under design.

We also have under reconstruction some 25.5 miles of community roads in the greater Monrovia area and 923 miles of farm to market and rural roads under construction throughout the country by our regional public works engineering teams with the support of the engineering battalions of the UN Peacekeeping Force.

When the ongoing design of the fallen Vai Town Bridge is concluded in March, work will start on construction of a new bridge. We will ask your support through legislation or otherwise to clear all the waterfront properties of the Mesurado River thereby preventing this river from becoming an open sewer within the city.

Honorable Legislators, in the past year we increased the generation of electricity to a total of 4.6 Mega Watts provided through support of our partners from the European Union, the United States and the Libyan government. This has enabled us to provide supply to an increased number of users in the Congotown and Paynesville areas. By the end of April, we should add

another seven megawatts to supply the majority of users in central Monrovia and in Sinkor. Various alternative sources of power are under study including the ongoing feasibility study of the Mt. Coffee Hydro electrical Plant that will significantly enhance our power generating capacity. At the same time, we have joined the West African Power Pool system which in two years will provide electricity to eighteen of our rural communities along the Cote d'Ivoire border.

Although the details have yet to be disclosed, we are excited about the potential of power provided through the biomass of our old rubber trees and we welcome one of our foundation partners who arrive in the country today to promote this potential.

Honorable Legislators, during the year, water supply to the Greater Monrovia area tripled to 3 million gallons daily with access to safe delivery water increased from 17 percent to 25 percent of the population. Access to adequate sanitation facilities also increased from 7 percent to 15 percent of the population.

With support from the World Bank we expect over a two year period to achieve total rehabilitation of the White Plains facilities and the distribution and sewage system to bring full service to people in Monrovia and its environs. There are also plans to extend the water system to Robertsport, Voinjama, Greenville, Buchanan, Kakata and Zwedru with other cities to follow. Relatedly, hundreds of boreholes and wells, 1,000 of which were constructed in the last year, provide clean drinking water to communities in the fifteen counties and in Monrovia and its environs as well.

Mr. Speaker, Distinguished Ladies and Gentlemen, as we are all aware, education is the foundation of development as no nation can achieve the desired socio-economic progress in the absence of a vibrant, productive education and training system. You will therefore understand the high priority of education in our current challenge of national reconstruction, recovery and renewal.

The challenges of Liberian education are enormous. There are insufficient numbers of schools to accommodate the nation's growing school-age population. The quality of available instructional programs is not the best for the training of our nation's youths and future leaders. The majority of our qualified teachers have no professional background; and the salaries and incentives offered bring little attraction for recruitment and retention of teachers in the profession. It goes without saying, that our current commanding priority is to expand access to educational opportunities so that no child is deprived of the right to education. We must also improve the quality and relevance of instructional programs so that learning experiences appropriately address the needs of the society and the individual learners. To achieve this goal, we must adequately train our teachers, and offer salaries and incentives that will enhance motivation and retention for the good of the profession.

We must also address the malpractices and acts of irregularities that tend to undermine the integrity and credibility of our national system. Thus, during the year in review, we were forced to cancel and re-run the WAEC exams. In addition, based upon a survey by the National Commission on Higher Education, we have started the process that will lead to closure of many of the thirty substandard universities that lack the required minimum capacity to operate as tertiary institutions.

We know that there is no quick fix in addressing our education challenges. Nevertheless, I am pleased to report that significant progress has been made. During the year in review, a total of thirty primary schools were renovated and made operational while forty-three new schools were constructed nationwide.

The Free and Compulsory Primary Education Policy which we implemented is making the desired impact. As you know, under this Policy we abolished all fees in the public primary schools and committed Government to pay the fees for the West African Examinations for all 6th graders in these primary schools. As a result, enrollment in public primary schools increased from 597,316 in the 2005/2006 academic year to 1,087,257 in 2007/2008 representing an impressive 82 percent increase nationwide.

With support of USAID and in collaboration with other development partners, a major initiative, the Liberia Teacher Training Program (LTTP) was launched. New competencies and standards for Liberian teachers have been developed; and the three Rural Teachers Training Institutions at Kakata in Margibi, Zorzor in Lofa, and Webbo in River Gee Counties are currently undergoing major rehabilitation with plans to begin regular teacher training activities as of September this year.

It is important to note also that despite the current budgetary constraints, Government continues to provide scholarship assistance to needy students. During the year in review, a total of 1,930 students benefited from scholarships costing a little over US\$284,000 to study at local secondary and higher educational institutions. Eleven students completed their respective courses of studies and returned to the country, while one hundred and fifty are pursuing studies in various countries, including Morocco, China, Egypt, Russia and the United States.

In recognition of the important contribution of private institutions towards meeting the educational needs of our country, we reactivated the granting of subsidies to private institutions for a total of US\$500,000. We also applaud the support given to our educational system by several of our partnership churches including the Episcopal, United Methodist, Baptist and African Methodist. The reopening of the American International School provides an additional facility for young Liberians and non Liberians as well and the expected return of the Peace Corps in a few months will enhance our teacher training effort.

Although the size and focus have yet to be decided, the inclusion of Liberia in U.S. President Bush's Five African Nation Special Education Initiative will provide a major boost to our education system improvement.

Several private initiatives have supplemented our efforts. The Liberia Education Trust which aims to renovate or build 50 schools, train 500 teachers and provide 5,000 scholarships to girls, has mobilized close to US\$2 million that has provided 1,300 scholarships to girls and supported literacy training for 1,200 of our market women in seven counties. A total of eighteen of the fifty targeted schools have been built or are under construction in Montserrado, Bong,

Grand Gedeh, River Gee, Maryland, Grand Kru, Rivercess, Nimba and Margibi Counties using the exceptional methodology of the World Bank supported Liberian Agency for Community Empowerment (LACE).

The Children's Defense Fund will provide fifty scholarships to young women over a three year period for graduate studies in U.S. Universities. In similar vein, we have been successful in placing fifteen students in graduate programs through scholarships provided by Universities. In addition, the Liberia Renaissance Education Complex (LREC) now under construction on the Robertsfield Highway will provide quality training for several boarding students and the Rafiki project on the Monrovia-Schiefflin-Marshall road supported by the Episcopal Church will support many orphans to become well educated youth ready to enter professional work or training.

In recognition of the important role of education, we have provided a significantly higher level of support to the University of Liberia. The subsidy of approximately US\$2.3 million approved by you represents 56 percent of the University balanced budget of approximately US\$3.7 million that enables the institution to serve the needs of 15,616 undergraduates in six colleges and 673 students in three graduate and three professional schools. About 25 percent of the university total enrollment is females. A standing faculty of 347, including 18 volunteers from the UN system represents a faculty student ratio of 1 to 44.

The University is now arrears free on account of the US\$380,000 grants that paid faculty salary arrears for 2001-2003. We also provided US\$350,000 to procure six new buses to facilitate the transportation of commuting students and facilities between the main Fendall campus. Through the budget of the Ministry of State, we repaired a building and restored water and electricity to the Dogliotti College of Medicine. During the year, the University concluded agreement with the United States Government for rental of the Greystone property that has provided US\$2.3 million for an Endowment Fund and which is managed by Trustees in the United States. Perhaps of more consequence to the quality of instruction is the restoration of facilities at the Fendell campus, Works on dormitories and teachers housing are now underway through a commitment of some US\$20 million equivalent by the Chinese government.

Additional support from the United States will be directed at the renovation of a few of the campus academic buildings.

We must now make progress on a review and revision of the University Charter to bring it more in line with the structures and systems of universities on our continent. The same applies to other institutions of higher learning which we plan to establish in other counties the first of which is reactivation of the WVS Tubman Technical College in Maryland County.

Mr. Speaker, Distinguished Ladies and Gentlemen, as our country's health sector transits from emergency to development, our comprehensive National Health Policy and Strategic Plan aims at increasing the provision of the basic package of health services from the current 40 percent to at least 70 percent of the population by the year 2010. In pursuit of this goal over the past year some 79 percent of pregnant women received ante-natal care, 400,000 were treated with the malaria drug, ACT, 81 percent of our children were immunized against polio and 300,000 treated for TB. If we are to continue to make progress, some 550 health facilities will be required as compared with the current 354 functional facilities including the 25 renovated during the course of last year.

We are also pleased to report that the fifteen county hospitals are now functioning. Supported by our friends at the Swiss Development Cooperation, the newly renovated Telewoyan Hospital in Voinjama, is set for dedication in March. In addition, an aggressive training program has resulted in the training of seven out of fifteen health teams and seventy-five social workers in child protection, family reunification techniques and gender based violence management that will be assigned to health centers throughout the country.

The establishment of the National AIDS Commission, which I chair, will broaden our response to this global epidemic that today affects some 5 percent of the population, of which 1 percent or 1,245 persons have been treated at nineteen facilities.

Today we have 122 doctors serving throughout the country of which 51 are Liberians against a need of 842. This implies a just one doctor for every 28,000 Liberians, a major improvement in

the past two years but a sharp decline since the 1980s. We also have 668 nurses serving our population against a need exceeding 4000.

Honourable Legislators, I am pleased to report that the nation's number one referral hospital, the John F. Kennedy Memorial Center is now on a rebound under the leadership of able Liberians who responded to our call to return home and join their colleagues in improving the health care of our citizens.

The hospital admitted some 5,400 persons, an increase of 88 percent over the previous year. Outpatients served were approximately 18,000 representing a 51 percent increase. A large number of official and private partners are supporting the JFK Memorial including the Japanese and Chinese Governments, the World Bank, the Ann Gloag Foundation, the Clinton Foundation and a resident medical team from the Chinese Government. Visiting medical teams from at least five U.S. Universities supplements the sacrificial service rendered by our own doctors and nurses. The Tubman National Institute for Medical Arts (TNIMA) is also on the rebound with scholarship support from our Government and facilities renovation support from the U.S. Government. Several other initiatives such as the Mercy Ships provide invaluable service to our population.

We are also pleased to report that perhaps for the first time in decades a Liberian patient, Police Officer Nathaniel Lackey who was seriously burned in 2005, was brought home from Ghana still in serious condition but is now steadily on the mend through plastic surgery done by our own Liberian, the Hospital's Chief Medical Officer. This is just one example of the talents of our people and the potential of our capacity and commitment.

Let me also add that today there are at least twenty five partners, official and private, willing to work with the Ministry of Health and the JFK Hospital due to the commitment and efficiency of our national health team.

Honourable Legislators, with support from the International Postal Union and diligent leadership the restoration of postal services is notable. During the year, the Ministry

rehabilitated and operationalized fifteen post offices in eight counties and restored a wide range of postal services in Monrovia. In the telecommunications sector, four major cellular phone companies provide competitive service that has resulted in significant cost decrease to the population. The establishment of the regulatory body, the Liberia Telecommunication Authority has led to more benefits to Government from the sector, although this remains still far below international standards. Efforts are well advanced to operationalize the Liberia Telecommunications Corporation after agreement with the creditors on use of the modern equipment that has been lying idle for over four years.

Public transport remains a major challenge to the Government as bad roads and high fuel cost have constrained the expected private sector response. At the end of last year the Government introduced a limited bus service through the Monrovia Transit Authority and we expect to improve upon this during the year.

Our air transport system with improvement at Roberts International Airport is gaining momentum as we now have eight airlines serving international and regional routes. Approximately 93,567 passengers passed through the facilities representing an increase of 2.5 percent over the previous year. Cargo registered at two million tons representing an increase of over 12 percent from the previous year. Only five of the forty-three small domestic airfields have been partially repaired and are currently serviced only with UNMIL flights.

The Civil Aviation Authority (CAA) as the regulatory body became operational during the year. The CAA was successful in returning to Liberia the Flight Information Region (FIR) which was moved to Guinea during the years of conflict. The CAA has also been successful in signing an Open Skies Agreement with the United States and bilateral agreements with Belgium and Morocco.

As with everything else, the Government inherited public buildings that were damaged or in a serious state of despair. Although with support of our partners, in particular the United States, started the renovation of key buildings such as your own Capitol Building and the Temple of Justice, limited resources have led us to give low priority to others including the Executive

Mansion. We are pleased however to have taken the decision to close down and fence what was a deplorable Palm Grove Cemetery and to start the construction and renovation of markets throughout the country. We commend the World Bank and the African Women Development Fund (AWDF) for support of these initiatives. There is need to address this matter more effectively during the course of this year and to intensify efforts to reduce the shabbiness and filth in our capital city by promoting projects such as the Broad Street Beautification which was undertaken last year by the Ministry of State.

Honorable Legislators, we are equally pleased to report that some thirty years after this program started, we conveyed property title deeds to 212 senior citizens and other occupants in the three housing estates – Stephen Tolbert in Gardnerville, E. Jonathan Goodridge in Barnesville and New Georgia. Plans are under way to complete the same process for the Matadi Estates and to establish a land bank in the Capital City of each County that will provide the basis for the construction of houses and housing estates for our low and medium income citizens.

Mr. Speaker, Mr. President Pro-Tempore, our nation is blessed with strong partners from all over the world. In our own region and continent, sisterly states and regional institutions have stood by us in international advocacy and in providing facilities for training and logistical support. Nigeria, Ghana and ECOWAS are notable in this regard.

Our multilateral partners especially the International Monetary Fund, the World Bank and the African Development Bank have been the prime movers in relief of our staggering aggregate US\$4.5 billion external debt. The European Union is an equally strong partner but they have been unable to move from commitment to program formulation and disbursement. This is undermining the achievement targets which we have set, particularly in the power sector. On the bilateral side, our key partner is the United States joined by China, Ireland, the United Kingdom, Norway, Sweden, Denmark, Germany, France; the Netherlands, Japan, and Switzerland. In addition to support of the UNMIL Peacekeeping Force by several of these partners, and with recognition to continuing shifting allocations, we can say that our country has benefited in the past two years with financial commitments on the order of an aggregate

US\$500 million equivalent. These commitments cover a wide range of sectors, with principal contributing partners being the United States, the World Bank, The European Union, China and the wider UN system as a whole but as earlier noted, they do not include the UNMIL peacekeeping operations which have in the recent past averaged almost US\$700 million per year. More details of this will be reported to you subsequently.

Similarly, we continue to enjoy the confidence of non official partners which include the Soros Foundation, the Open Society Initiative, the Clinton Foundation, the McCall MacBain Foundation, the Novo Foundation, the Right to Play, the Cashin Family Foundation, Humanity United, the Brenthurst Foundation, the Nike Foundation, Spread the Net, and the hundreds of individuals and organizations which support our national development endeavor. The Liberia Emergency Capacity Development Fund, the Scott Family Fellowship and the Senior Executive Service provide important support for the enhancement of our national capacity. In addition, several Liberians and non Liberians contribute books, medical and school supplies, toys, clothing and other items. The progress throughout the country that result from this support is not recognized by many of our citizens who reside in Monrovia. We invite them to make visits to the counties to see the tremendous improvement that is taking place to the satisfaction of the majority of our citizens.

Honorable Members of the Legislature, during the period under review, Liberia maintained very cordial strong and harmonious relations with countries, with which it has diplomatic relations, and with all sub-regional, regional and international organizations of which it is a member.

The United Nation Family under the Special Representative of the Secretary General supported us in a wide range of our national endeavor including the Security Sector Reform. As we welcome the new SRSG, Ambassador Ellen Loj, I wish to express thanks to Mr. Alan Doss, who served as Special Representative of the Secretary General for close to four years until his departure for another assignment in December of last year. There was no greater partner or person committed to Liberia than Mr. Doss.

There are currently seventeen diplomatic missions resident in Monrovia, twenty-one Honorary Consulate Generals, and one Consulate General. Currently, Liberia maintains the same twenty-one diplomatic missions and two Consular Posts abroad.

During the year under review, we concluded plans to close three missions, recalled several nonperforming officers and cancelled all Honorary Consulate appointments except those in special status such as our Maritime Program. We are now close to a resolution on the matter relating to our national passport and expect to cancel existing passports to be replaced by new passports that meet international standards. This should bring to an end the fraudulent production and sale of our passports in several foreign countries. In this regard, we wish to applaud the exceptional service and performance by the Acting Director and her assistants at the Bureau of Passports. She has won the hearts and praise of Liberians resident and visiting home.

Honourable Legislators, we have, through the Ministry of Foreign Affairs, initiated legal steps to reclaim properties that the Government lost in the years of civil strife due to malfeasance or lack of attention to accrued indebtedness on the part of the officials concerned. At the same time, we are actively engaged in efforts to properly assess and rationalize our properties abroad.

Mr. Speaker, Honourable Legislators, owing to Liberia's newly enhanced and very positive image abroad and its new stature as a responsible member of the comity of nations, five Heads of State and Government officials, as well as other important foreign dignitaries visited Liberia during the period under review.

These included the President of the People's Republic of China, Mr. Hu Jintao, the then President of the Federal Republic of Nigeria, President Olusegun Obasanjo, the President of the Republic of Benin, His Excellency Boni Yayi, President Ernest Bai Koroma of the sister Republic of Sierra Leone, and the Chancellor of the Federal Republic of Germany, Angela Merkel. During these visits joint communiqués were signed between Liberia and the respective

countries, reiterating their commitment to strengthen bilateral relation and foster greater economic cooperation.

Other foreign high level personalities who visited Liberia were American Philanthropist George Soros and Queen Noor of the Hashemite Kingdom of Jordan, American Entrepreneur Robert Johnson, and a ten-person US Congressional Delegation headed by Congresswoman Nita Lowey.

In response to invitations, I visited thirteen countries to represent our country at regional and international fora and, to continue to present our vision for national renewal and to mobilize support for our development agenda. These included visits to our sisterly African countries of Guinea, Sierra Leone, Ghana, Nigeria, Rwanda and Burkina Faso. It also include visits to France, Germany, Belgium, Italy, Sweden, Israel, and Spain. I was also privileged for a third time to visit with United States President and Mrs. Bush and to be honored in October with the Presidential Medal of Freedom, the highest Civilian Award of the United States. I am equally proud to have been honored with the Civil Rights Museum Award and the National Democratic Institute Harriman Award. Honorable Legislators, I thank the several of you who joined me and helped to make these visits successful.

In our subregion, I continue to serve as the current Chair of the Mano River Union which we are still trying to reactivate by a reorganization of the Secretariat based in Freetown.

Honorable Legislators, during the period under review, over twenty-six former government officials and permanent citizens were called home from this terrestrial to the celestial. Eminent among them were Hon. Angie Brooks Randolph, former Associate Justice of the Supreme Court of Liberia and former President of the United Nations General Assembly, Hon. J. Rudolph Grimes, former Secretary of State, Hon. Gabriel Baccus Mathews, former Minister of Foreign Affairs; and the Right Rev. Dr. Augustine B. Marwih, former President of the Independent Churches of Africa.

Others included Cllr. Timothy Z. Swope, former Associate Justice, Ad-Hoc Supreme Court of Liberia; Hon. George Varney Freeman, former Director-General, Foreign Service Institute/Ministry of Foreign Affairs; Hon. Alfred John Gbarmie Sahn, Sr., former Member/Interim Legislative Assembly; Hon. Alfred Boima Curtis, Sr., former Deputy Speaker of the House of Representatives; Hon. Rudolph Emmett Sherman, former Member of the Transitional Legislative Assembly, Hon. Charles Horatio Williams, Sr., former Senator, Hon. Tiahkwee Weah Johnson, former Ambassador to the Arab Republic of Egypt and Hon. Flasher G. Chideryou, former Member of the House of Representatives.

CONCLUSION

Mr. Speaker, Mr. President Pro-Tempore, Honourable Members of the Legislature, we are ever mindful that despite the progress recorded, our challenges are still enormous. We are equally aware that no matter what we achieve in growth and development, there will always be the tendency to judge the performance of Government by the current price of a bag of rice and the availability of jobs in the capital city. We are also subject to short memory regarding the inherited level of institutional and moral decay.

Yet, acknowledging the time it takes, we must continue to meet the challenges of change. There is the challenge of national capacity, a clear indication of the loss of skills and commitment over the many years of institutional decline. This affects the implementation of our programs and the expansion of employment, even when financial resources are available. This challenge must be met through a combination of educational and training programs, a reordering of our Civil Service to a merit based system and continued progress in repatriating our talent that lie in the Diaspora.

There is the challenge of settlement of salary arrears to Civil Servants, retired Police and Security personnel, former Legislators, and Foreign Service personnel which accumulated over the past decade or more and is the source of continuing discontent that sometimes results in demonstrations and strike action.

The amount of public servants arrears inherited by this government totaled about US\$13.12 million of which US\$9.21 million has been paid. In the last year alone a total of US\$5.24 million was paid. We have also started to settle the estimated US\$32.1 million owed to our foreign missions and US\$9.8 million owed to international organizations.

On the other hand, we are pleased to report that this Government is current in its salary obligations, except for those cases of disputes in payroll entitlement. We can also report that improvements in our payments in the rural areas with the placement of paymasters in all fifteen counties. We know that more needs to be done to find a solution for Civil Servants in those areas unreachable by roads.

There is the challenge of corruption, pervasive not only in government but throughout the society. Corruption remains a serious concern for this government. We had declared in our first pronouncement that it was our Number One enemy. Our determination remains undaunted and our resolve unshaken. From the lowly to the highest functionaries of our society, if you indulge in corrupt acts, characterized as criminal under our statute, we will not hesitate to proffer charges against you for recovery of the public funds diverted and seek punishment for the commission of the offenses committed. While we cherish the need for reconciliation and unity, we are not prepared and should not allow this to deter us or provide an excuse for the financial impunity which existed in our society.

We admit that our justice system has not moved as speedily as anticipated but this will not diminish or deter our determination and commitment to combating this cancer. We will still seek to revise the complicated procedural rules of the justice system so that these matters can be disposed of more expeditiously. We are improvising our prosecution to be even more effective and will endeavor to do the same with our courts so that the disposition of cases will no longer be prolonged. We will strengthen the investigative process so that these cases and others will be more speedily investigated and submitted to court for disposition.

To date, seven persons stand indicted before our criminal court, the offenses committed by them being among the most prominent of financial impunity in our society. These cases are

awaiting trial by our criminal court of competent jurisdiction, which will commence in its February term on the second Monday in February. We are determined to have these matters disposed of in that term of court, even as we are preparing to bring more indictments forward of both past and current officials of government and those who are identified as having aided them in their deeds in violation of the public trust. We must emphasize that whether you are Liberians or foreigners, whether you are a receiver or giver of illegal gains, we will pursue the matters with the same vigor and resolve. Honourable Legislators, we therefore ask that you give the Administration the teeth to deal with this evil by passing the relevant legislation that you have before you.

Honorable Legislators, consistent with our pledge of transparency and believing the evidence to be sufficiently strong to obtain convictions, we had no choice but to submit to the judicial process. Those persons reported to have initiated plans to destabilize the nation. Yet, we are mindful of one of the key goals of our administration – the **reconciliation** of our people.

Today we take that call one step further in announcing that the Government will no longer pursue the case against former Speaker George Koukou by filing in the court a Nolle Prosequi to enable him to be released from prison.

We now call upon Mr. Koukou to accept this pardon in the spirit in which it is given to pursue his future endeavors in a peaceful manner refraining from unlawful and illegal acts. We call upon the people of the communities and of the County of Mr. Koukou to see this decision as a response to the many pleas submitted to me on his behalf. As other cases are more complex in evidence and at a more advanced stage in the courts, we will allow the judicial process to run its course.

Mr. Vice President, Mr. Speaker, Mr. President Pro Tempore, Honourable Legislators, Compatriots, the new Liberia which we desire aims to do away with divisions, marginalization, and exclusion of the past, replacing them with inclusiveness, equitable opportunities and empowerment for all Liberians. We know that we cannot simply recreate the economic and political structures of the past. We know that we must respond to the deep wounds of the civil

war while taking strong steps to establish the foundation for sustained stability and peace in the future. To do so, we must create much greater economic and political opportunities for all Liberians, not just for a small elite class. We must ensure that the benefits from growth and the provision of basic health and education services are spread much more equitably throughout the population, particularly for women, youth and persons with disabilities.

Achieving these goals require building new systems of government, based on accountability, transparency and the rule of law. There are three key pieces: strengthening the executive branch's core capabilities, building the capacity of the Judiciary and Legislature and enhancing their oversight role, and progressively decentralizing government functions across the countries.

These goals are ambitious. They may not be fully accomplished in the 3-year time frame of our development agenda. But we are determined to make significant progress and build on the strong start of the present. Doing so will require strong commitment of all government actors, their partners, the private sector, and civil society organizations. Most importantly, it will require the continued efforts of the Liberian people, including those in the Diaspora.

Honourable Legislators, we have tried and we remain true to our commitments to be agents and instruments of change. This is not an easy road for there is enormous resistance to change and more intense resistance from those who have operated in a laissez faire environment for a long period of time. However, we will not take the easy way of going back to business as usual which would lead to a reversal of the gains that we have made. We will subdue the catharsis inherent in change, in the processes of reordering and renewal. We will bear the cross and stay the course for that is the only way to depart from the past system of exclusion, marginalization and economic criminalization.

Liberia's future lies not in the hands of our partners but primarily in the hands of the Liberian people and their government. It is for us to make our destiny one of choice and not chance. It is for us to put the ugly past behind us through honesty in what we say and do; diligence in our endeavors, discipline and hard work in our actions. I thank the thousands of Liberians who

continue to work with us, who have the shared vision of a brighter tomorrow. I reach out to the political opposition, to Liberians in the Diaspora, to the media, to every Liberian in the spirit of forgiveness, pledging that I will do more in the spirit of reconciliation and national unity.

Please join me in rebuilding our institutions, in renewing our nation, in making us proud to be Liberians.

Please join me also in preparing to welcome to our country in three weeks and for the first time in twenty years, a United States President, Mr. and Mrs. George Bush.

I thank you!