

# CRS Report for Congress

## **Liberia's Post-War Recovery: Key Issues and Developments**

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**Prepared for Members and  
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# Liberia's Post-War Recovery: Key Issues and Developments

## Summary

This report, which is updated as events warrant, covers recent events in Liberia, a small, poor West African country. It held elections in October 2005, with a presidential runoff in November, a key step in a peace-building process following its second civil war in a decade. That war began in 1999, escalated in 2000, and ended in 2003. It pitted the forces of Charles Taylor, elected president in 1997 after Liberia's first civil war (1989-1997), against two armed anti-Taylor rebel groups. It also destabilized neighboring states, which accepted Liberian refugees and, in some cases, hosted anti-Taylor forces and became targets of the Taylor regime.

Ellen Johnson Sirleaf, an economist, won the presidential runoff vote, with 59.4% of votes cast and took office in mid-January 2006, becoming the first female president of an African country. Her runoff rival, George Weah, a former star soccer player, conceded Sirleaf's win after initially contesting it. Most observers viewed the vote as orderly, free and fair. It fulfilled a key goal of an August 2003 peace accord that had ended the second civil war and led to an ongoing, U.S.-aided post-war transition process, which is bolstered by the multifaceted peacekeeping and development-focused U.N. Mission in Liberia (UNMIL). Liberia's security situation is stable but subject to periodic volatility. Progress in governance under the interim government that preceded that of President Sirleaf was mixed; widespread corruption within it was widely reported. Liberia's economy and state structures remain devastated by war. Humanitarian conditions are improving. Liberia receives extensive U.S. post-war reconstruction and security sector reform assistance. In March 2006, former President Taylor was arrested in Nigeria and transferred to the U.S.-supported Special Court for Sierra Leone (SCSL) to face war crimes charges. He was later transferred to the Hague, the Netherlands, where the SCSL will try him.

In addition to providing substantial support for Liberia's post-war peace and reconstruction processes, the 109<sup>th</sup> and preceding Congresses maintained continuing interest in the status of Charles Taylor. The 109<sup>th</sup> Congress passed laws and resolutions urging that SCSL indictees, like Taylor, face trial at the court. The 109<sup>th</sup> Congress and its predecessors provided \$35 million in assistance to the SCSL through FY2006. Other legislation proposed in the 109<sup>th</sup> Congress centered on immigration, debt, and tax haven issues, and the commendation of Liberia for successfully holding elections. The 110<sup>th</sup> Congress has continued to provide support to the SCSL and for Liberia's efforts to consolidate its post-war governance and economic rebuilding processes. FY2007 funds for such purposes were contained in temporary continuing resolutions passed by the 109<sup>th</sup> Congress that provided FY2007 foreign operations appropriations through February 15, 2007. The 110<sup>th</sup> Congress passed a final continuing resolution, P.L. 110-5, which appropriated foreign operations funding for the balance of FY2007, and provided supplementary funding for Liberia under P.L. 110-28. Other Liberia-related legislation introduced in the 110<sup>th</sup> Congress has included H.R. 1941 (Kennedy); H.R. 1591 (Obey); H.R. 2206 (Obey); H.R. 2764 (Lowey); H.R. 3123 (Kennedy); S. 396 (Dorgan); S. 554 (Dorgan); S. 656 (Reed); S. 965 (Byrd); S. 1508 (Dorgan); and S. 1903 (Reed).

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# Liberia's Post-War Recovery: Key Issues and Developments

## Recent Key Developments

In late August 2007, the Liberian Supreme Court approved the trial of the former national transitional government of Liberia (NTGL) Chairman<sup>1</sup> Gyude Bryant, who was arrested in mid-March 2007 after being charged with economic sabotage relating to the alleged embezzlement of \$1.3 million during his tenure as chairman.<sup>2</sup>

On August 20, 2007, the trial of former Liberian President Charles Taylor on war crimes charges, in a case first brought against him by the Prosecutor of the Special Court for Sierra Leone (SCSL) in 2003, was postponed until January 2008.<sup>3</sup>

On July 30, the House passed H.R. 3123 (Kennedy), which would extend the eligibility of Liberians who qualify to receive temporary protected immigration status and authorization to work in the United States. In September 2006, the U.S. Citizenship and Immigration Services of the Justice Department terminated Temporary Protected Status (TPS) eligibility for Liberia effective October 1, 2007.<sup>4</sup>

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<sup>1</sup> The title of the chief executive officer of the unelected, interim post-war caretaker government that held power from August 2003 until President Sirleaf took office in January 2006; see below.

<sup>2</sup> Bryant had claimed in court that his status as a former head of state gave him sovereign immunity from prosecution in the case, in which Bryant could reportedly face a 10-year prison sentence. The government had argued that Bryant was ineligible for such protections because he was not constitutionally elected to his position. In its ruling, the Supreme Court approved his trial on the basis that it was permitted under the extra-Constitutional August 2003 peace accord that authorized creation of the NTGL. Bryant's arrest followed an investigation that began in January 2007 in the wake of an ECOWAS audit investigation of the transitional government. Previously, in December 2006, the NTGL finance minister had been arrested on similar charges related to the audit.

<sup>3</sup> The Taylor case is being considered by the SCSL in the Hague, the Netherlands, where under a special agreement the SCSL is using the premises of the International Criminal Court (ICC). The case venue was transferred to the Hague from the SCSL premises in Freetown, Sierra Leone for reasons of security and to prevent possible instability in Sierra Leone and Liberia arising from the trial.

<sup>4</sup> TPS is a temporary "safe harbor" immigration status granted to qualified nationals of some countries affected by ongoing armed conflict, natural disaster, or other difficulties. It has  
(continued...)

In late May 2007, Congress appropriated supplementary FY2007 funds to assist Liberia by passing H.R. 2206 (Obey), the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, which became P.L. 110-28 on May 25, 2007.<sup>5</sup> The assistance for Liberia appropriated under P.L. 110-28 is provided by reference to the conference report for H.R. 1591 (Obey), which President Bush vetoed on May 1, 2007, an action that a House vote failed to override on May 2.<sup>6</sup> This supplementary assistance is in addition to regular FY2007 appropriations made under P.L. 110-5,<sup>7</sup> signed into law on February 15, 2007. P.L. 110-5 provides funding for foreign operations, including U.S. assistance to Liberia and the Special Court for Sierra Leone (SCSL).<sup>8</sup> Notwithstanding some qualifications, P.L. 110-5 set FY2007 foreign operations appropriations at the level of regular FY2006 foreign operations appropriations, as provided for under P.L.

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<sup>4</sup> (...continued)

been in effect for Liberians since March 1991. See CRS Report RS20844, *Temporary Protected Status: Current Immigration Policy and Issues*, by Ruth Ellen Wasem and Karma Ester.

<sup>5</sup> It provides \$40 million in regional Peacekeeping Operations (PKO) funds to support security sector reform in Liberia and authorizes the U.S. Treasury to use FY2007 appropriated Bilateral Economic Assistance to aid Liberia in retiring its international financial institution debt arrears. It also provides \$3 million in Economic Support Fund (ESF) aid for the Special Court for Sierra Leone and \$5 million in regional Nonproliferation, Anti-Terrorism, Demining and Related (NADR) Programs, "for the protection of the Liberian President." H.R. 2206 appropriates ESF funds "in the amounts contained in the respective tables included in the joint explanatory statement" within H.Rept. 110-107, the conference report that accompanied H.R. 1591. The relevant ESF table in H.Rept. 110-107 provides \$3 million for the SCSL and states that funding for "Liberian Presidential Personal Security... is included under" the NADR account, which is set at a total of \$57.5 million in both H.R. 2206 and H.R. 1591.

<sup>6</sup> According to provisions in Conference Report H.Rept. 110-107, H.R. 1591 would have appropriated \$40 million in regional Peacekeeping Operations account (PKO) funds for assistance for Liberia for security sector reform and \$5 million in regional Nonproliferation, Anti-Terrorism, Demining and Related (NADR) Programs, "for the protection of the Liberian President." It also would have permitted the use of FY2007 funds for debt restructuring to assist Liberia, a measure proposed by both the House and Senate, and provided \$3 million for the Special Court for Sierra Leone, which is slated to try former Liberian President Charles Taylor. FY2007 appropriations for Liberia are discussed further in the notes to **Table 3**, below. S. 965 (Byrd), the Senate version of H.R. 1591, also contained Liberia aid, but in amounts that differed from those in the House-passed and enrolled versions of H.R. 1591. For further information on the FY2007 supplemental, see CRS Report RL33900 *FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes*, by Stephen Daggett, Amy Belasco, Connie Veillette, Curt Tarnoff, Pat Towell, Rhoda Margesson, Susan B. Epstein, and Bart Elias.

<sup>7</sup> H.J.Res. 20/Revised Continuing Appropriations Resolution, 2007, which amended P.L. 109-289, division B, and two subsequent continuing resolutions passed by the 109<sup>th</sup> Congress, P.L. 109-369 and P.L. 109-383.

<sup>8</sup> For background, see CRS Report RL33420, *Foreign Operations (House)/State, Foreign Operations, and Related Programs (Senate): FY2007 Appropriations*, by Connie Veillette, Susan B. Epstein, and Larry Nowels.

109-102.<sup>9</sup> FY2007 appropriations for Liberia are discussed further in the notes to **Tables 2 and 3**, below.

On May 4, 2007, Liberia was admitted into the Kimberley Process<sup>10</sup> following the United Nations (U.N.) Security Council's passage on April 27, 2007, of Resolution 1753, which lifted an export ban on Liberian diamonds that it had imposed in December 2003 (Resolution 1521).<sup>11,12</sup>

In mid-February 2007, during a donors' conference on Liberia, Administration officials announced their intention to cancel Liberia's debt to the United States and to seek additional international debt relief for Liberia. During the conference, the Administration also announced several other economic cooperation efforts in mid-February, as well as one supporting enhanced aviation relations; all are discussed below. In another sign of growing U.S.-Liberian cooperation, in mid-April 2007, the United States and Liberia signed a bilateral military cooperation agreement.<sup>13</sup>

## Background

Liberia, a small, poor West African country of about 3.4 million people, is undergoing a post-conflict transition and peace-building process after its second civil war within a decade. The latter conflict burgeoned in 2000, after several minor border incursions in 1999. It pitted the forces of Charles Taylor, elected president in 1997 after Liberia's first civil war (1989-1997), against two armed anti-Taylor rebel

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<sup>9</sup> Final FY2007 country and program allocation levels, including those for Liberia, are being set through a process of consultation between the Administration and the Committees on Appropriations guided by requirements set out under Section 113 of P.L. 110-5 and certain other provisions of the Foreign Assistance Act of 1961, as amended. This process may produce FY2007 country allocations that differ somewhat from FY2006 levels. Liberia was also the beneficiary of assistance provided under a supplementary FY2006 appropriation act, P.L. 109-234, which provided \$50 million in Economic Support Funds and \$13.8 million in Migration and Refugee Assistance supplementary assistance for Liberia.

<sup>10</sup> The Kimberley Process Certification Scheme (KPCS) is a voluntary international trade regime that regulates the global trade in rough diamonds in order to prevent the sale of "conflict diamonds," i.e., rough diamonds used to fund armed conflict.

<sup>11</sup> The Security Council's action was a response to reported improvements in Liberia's capacity to comply with the Kimberley Process, in part aided by U.S. assistance. While it agreed to lift the embargo, the Security Council also announced its intention to review Liberia's admission to and general compliance with the Kimberley Process. See European Community, "Kimberley Process: Liberia Enters the Diamond Trade," (press release IP/07/612) May 4, 2007.

<sup>12</sup> In a related matter, in early October 2006, President Sirleaf signed into law the National Forestry Reform Law of 2006, passed by Liberia's legislature in mid-September 2006 in one of its first major legislative actions. Her action fulfilled a key requirement set out by the U.N. Security Council when it provisionally lifted a long-standing ban on exports of Liberia timber in June 2006.

<sup>13</sup> U.S. EUCOM, "U.S.-Liberia Agreement Meant to Ease Acquisition Process," Press Release, April 24, 2007.

groups: Liberians United for Reconciliation and Democracy (LURD) and the Movement for Democracy in Liberia (MODEL). The war led to an extreme deterioration in political, economic, humanitarian, and human rights conditions. It also affected neighboring states, which accepted Liberian refugees and, in some cases, hosted anti-Taylor forces. The Taylor regime also sponsored or facilitated acts of armed aggression against its neighbors, Guinea, Sierra Leone, and Cote d'Ivoire.<sup>14</sup>

A peace accord was signed on August 18, 2003, after months of international mediation. It was facilitated by two events: Charles Taylor's resignation of the presidency and departure from Liberia on August 11, after he was granted political asylum in Nigeria; and the early August deployment of an Economic Community of West African States (ECOWAS) military intervention force, the ECOWAS Mission in Liberia (ECOMIL). ECOMIL, with extensive U.S. and United Nations (U.N.) assistance, deployed to Liberia to end heavy fighting and alleviate a worsening humanitarian crisis in the wake of a failed June 2003 cease-fire. It was tasked with monitoring and securing the cease-fire, enabling the delivery of relief aid, and preparing the way for the U.N. Mission in Liberia (UNMIL). UNMIL, first authorized by the U.N. Security Council on September 19, 2003, deployed to Liberia on October 1, 2003, two weeks before the National Transitional Government of Liberia (NTGL) took office on October 14. ECOMIL was dissolved and its military forces absorbed into UNMIL, which carries out diverse peacekeeping, civilian policing, and socio-economic assistance functions in support of Liberia's transition process. UNMIL has also assumed responsibility from the U.N. Mission in Sierra Leone (UNAMSIL) for providing a military guard force for the Special Court for Sierra Leone, discussed below; UNAMSIL's mandate ended on December 31, 2005.

UNMIL has a current authorized force strength of

### Liberia at a Glance

**Geography:** Small tropical coastal West African country about the size of Virginia

**Population:** 3.2 (2007 est.); some estimates are higher.

**Ann. Population Growth Rate:** 2.64% (2004) to 4.84% (2007); estimates vary

**Exchange Rate Adjusted Gross National Income (GNI):** \$435.8 million (2005)

**GNI per Capita:** \$130 (2005)

**External Debt:** \$3.659 billion (end-2005)

**Key Exports:** Rubber, timber, iron, cocoa, gold, coffee, diamonds. Exports of latter halted pending Liberia's accession to the Kimberley Process (see coverage in this report).

**Languages:** English & 29 distinct languages/dialects

**Ethnic groups:** 16 indigenous groups (95%) and Americo-Liberian/freed slave descendants (5%)

**Religions:** Indigenous beliefs 40%, Christian 40%, Muslim 20%

**Literacy:** 20% (2005) - 57.5% (2003) Data vary\*

**Under-5 Mortality rate:** 235 deaths/1,000 live births

**HIV/AIDS adult infection rate:** 5.9%-12% (est. vary)

**Life Expectancy, years at birth:** Male, 38.93; Female, 41.89 (2007 est.)

**Sources:** CIA *World Factbook* 2006; World Bank *Development Indicators* and other data; Ethnologue.com; UNAIDS.

\*Published data on literacy vary. State Department and United Nations sources report adult literacy at 20% but the source of that data is not cited. World Bank data vary; current data sources do not show a literacy rate, but an April 2004 entry from the World Bank's *World Development Indicators* database gives a rate of 55.9% for 2002, and a 2007 World Bank background slide presentation gives a rate of 30%. The CIA *World Factbook*, (2006) gives a figure of 57.5% for 2003.

<sup>14</sup> This report focuses on current issues and recent events. CRS Report RL32243, *Liberia: Transition to Peace*, and CRS Report RL30933, *Liberia: 1989-1997 Civil War, Post-War Developments, and U.S. Relations*, both by Nicolas Cook, provide in-depth background on events in Liberia during recent decades, and on the presidential tenure of Charles Taylor.



14,875 military personnel and 1,240 police. As of early August 2007, it had a total force size of 14,141 troops and 1,180 police officers, composed of personnel from 64 countries. As of late March 2007, U.S. uniformed personnel in UNMIL included six troops, eight police officers, and seven military observers. U.S. funding for UNMIL is covered in **Table 3**, below. In September 2005, the Security Council requested that UNMIL leaders recommend a force drawdown plan for UNMIL, including specific benchmarks and a planned schedule in a March 2006 report. The report, the Tenth Progress Report of the Secretary-General on the United Nations Mission in Liberia (S/2006/159, March 14, 2006), found that there was a need for a two-year “consolidation phase,” but that it is “too early for a major drawdown of UNMIL.” During the “consolidation period,” UNMIL would implement an “adjusted mandate” defined by a 11-point agenda of “priority tasks,” centering on such objectives as maintenance of a stable and secure environment; completion of ex-combatant, refugees, and internally displaced persons reintegration; security sector reform; and consolidation of state authority and governance capacity. However, the report recommended that “in the absence of an immediate armed threat within Liberia [...] an adjustment to the UNMIL military component by reducing one infantry battalion in mid-2006 and another infantry battalion in early 2007 would be appropriate.” These adjustments would be “followed by a drawdown of the Mission, which should begin in early 2007, security conditions permitting.”

In mid-March 2007, the United Nations reported significant progress in meeting key benchmarks including the police and military training, restructuring and reform, management of natural resources, and the creation of a national security strategy and architecture, though each of these activities has faced sometimes considerable challenges. Progress toward the reintegration of all ex-combatants and the consolidation of state authority has been slower, however, in large part due to resource constraints. Due to these and a range of other reconstruction and development challenges, and notwithstanding areas of progress, in mid-March 2007, citing what he called “limited progress made in meeting the benchmarks for the consolidation and drawdown of the Mission,” U.N. Secretary-General Ban Ki-moon recommended a year-long extension of the UNMIL’s mandate.

In August 2007, Secretary-General Ban Ki-moon that a drawdown process linked to attainment of several core benchmarks be initiated. These benchmarks focus on multi-focal improvements in police operational capacity; completion of a national security strategy and architecture and implementation thereof nationwide by December 2008; training and operationalization of two newly trained military battalions by September 2008 and September 2009, respectively; and the restoration of the rule of law and achievement of increased operational capacity by government agencies throughout Liberia. He also stated that the conduct of elections in Sierra Leone in 2007 and in Guinea and Côte d’Ivoire in 2008 “are important contextual benchmarks that need to be taken into account when deciding on the timing of adjustments to UNMIL troop deployments.”<sup>15</sup>

UNMIL has implemented measures to prevent, monitor for, investigate, and punish acts of sexual exploitation and abuse (SEA), in line with recent reforms and

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<sup>15</sup> U.N. Security Council, S/2007/479, August 8, 2007.

renewed U.N.-wide regulations regarding sexual conduct, following abuses in several U.N. peacekeeping missions around the world, including in Liberia. U.N. Resolution 1626 (2005) bars SEA, and UNMIL has created a mission conduct and discipline team and investigatory capacity to ensure adherence to these rules. Between January 1, 2004 and June 8, 2006, 17 UNMIL military personnel were repatriated to their home countries for probable SEA crimes; two UNMIL civilians were dismissed or faced a non-renewal of their contract; three UNMIL civilians were suspended; and investigations cleared 13 UNMIL military personnel and three UNMIL civilian police.<sup>16</sup> In mid-March 2006, five crew members of a UN contractor, who had been under investigation for alleged rapes and the assault of Liberian police officers, left Liberia after being released on bond. According to UNMIL, their departure “is highly regretted and the matter is being brought to the attention of the authorities of the country concerned.”<sup>17</sup>

## Transition Process

The August 30, 2007 Comprehensive Peace Agreement,<sup>18</sup> signed by the three warring factions and 18 political parties, laid out a peace process, provided for the creation of the National Transitional Government of Liberia (NTGL), and allocated leadership positions within it. The NTGL was mandated to re-establish functioning government authority and prepare for national elections that were held in mid-October and November 2005. The elected government of President Ellen Johnson Sirleaf<sup>19</sup> replaced the NTGL in late January 2006, as described below. The NTGL consisted of an executive branch, presided over by a Chairman, Gyude Bryant, and an interim parliament, the National Transitional Legislative Assembly. Bryant, a businessman and church layman who led the Liberian Action Party, oversaw the functions of the central government and various public corporations, agencies, and commissions. The transition faced many challenges, most related to the extremely destructive effects of many years of war in Liberia. Others included the dominant role within the NTGL of the three former armed factions, which were prone to internal rivalries; political discord over the allocation of state positions and resources; very limited state capacities; and reported public sector corruption.

## 2005 Post-War Elections

Peaceful Senate, House of Representatives, and presidential elections were held on October 11, 2005, and a presidential runoff vote was held on November 8. The

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<sup>16</sup> State Department compilation.

<sup>17</sup> See UNMIL, “Statement on the Departure from Liberia of Five Crew Members, Employees of a UN Contractor,” March 14, 2006.

<sup>18</sup> Accord text available from U.S. Institute of Peace [<http://www.usip.org/library/pa.html>].

<sup>19</sup> Although her name is widely cited as Johnson-Sirleaf, the Liberian president does not employ a hyphenated form of her last name. See Wil Haygood, “For Liberia’s ‘Iron Lady,’ Toughness Part of Territory,” *Washington Post*, December 16, 2005.

22-candidate presidential poll led to a runoff race. It pitted George Manneh “Oppong” Weah, 39 years of age, a former professional top soccer player whose star status and rags-to riches history make him a hero to Liberian youth, against Ellen Johnson Sirleaf, 67 years of age, a Harvard-trained economist and former businesswoman who had served as Liberian finance minister and as a United Nations and World Bank official. On November 15, 2005 the National Elections Commission (NEC) declared Sirleaf the winner of the presidential race, with 59.4% of votes against Weah’s 40.6%, making her the first-ever female president of an African country. Despite its declaration in favor of Sirleaf, the NEC subsequently probed and later rejected claims by Weah, discussed below, that the election was fraudulent.

In contrast to the presidential race, election results for seats in the bicameral legislature were disparate; no party received more than 24% of seats in either chamber, and none dominated in both the Senate and the House. The largest party in the 64-member House of Representatives is Weah’s Congress for Democratic Change (CDC), which won 15 seats. The Liberty Party (LP) won nine House seats, while Sirleaf’s Unity Party (UP) and the Coalition for Transformation of Liberia (COTOL) each won eight. Seven other parties each won between one and five House seats, and seven independent candidates each won a seat. In the 30-seat Senate, COTOL won seven seats and the UP won four; all other parties won between one and three seats.<sup>20</sup>

Notable among the newly elected legislators were several former Taylor regime officials and leaders of former armed factions or security services. These include senators Jewel Howard-Taylor, a former wife of Charles Taylor (NPP; Bong County); Prince Yormie Johnson (independent, Bong County); and Saye-Taayor Adolphus Dolo (COTOL, Nimba County). Johnson is the former leader of a faction that splintered from Taylor’s early in the first civil war, and is infamous for personally presiding over the bloody, videotaped murder of former head of state Samuel Doe. He returned to run in the election from exile in Nigeria, where he had professed to have become a born-again Christian evangelist. Dolo is a former pro-Taylor militia leader, known by the *nom de guerre* General Peanut Butter, who reportedly committed war-time atrocities and recruited child fighters, and who is said to have aggressively opposed UNMIL peacekeeping activities. In the House, they include Edwin Snowe (independent, Montserrado County) and Saah Richard Gbollie (NPP, Margibi County), and Kai G. “White Flower B-50” Farley, (CDC, Grand Gedeh County). Snowe, who was elected speaker of the House in mid-January 2006 but has since stepped down,<sup>21</sup> is a former Taylor in-law, and the former head of the Liberian Petroleum and Refining Corporation (LPRC), from which Taylor regime officials reportedly diverted significant amounts of funds, some of which may have benefitted Taylor during his exile in Nigeria.<sup>22</sup> Gbollie is a former Taylor fighter and Taylor

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<sup>20</sup> Full election results are available online from the NEC at [<http://www.necliberia.org/results>].

<sup>21</sup> See “Ouster of House Speaker Snowe” under section *Current Governance Issues*, below.

<sup>22</sup> Coalition for International Justice, *Following Taylor’s Money: A Path of War and* (continued...)

administration police official accused of human rights abuses. Farley is an ex-MODEL commander and NTGL official accused of threatening the 2003 peace accord. Jewel Taylor, Dolo, Snowe, and Farley are subject to U.N. travel sanctions.

**Table 1. Election 2005 Legislative Results by Party:  
Seats and Percentage of Vote Won**

Party	Senate		House	
	Seats	Vote (%)	Seats	Vote (%)
Congress for Democratic Change (CDC)	3	10	15	23.4
Coalition for Transformation of Liberia (COTOL)	7	23.3	8	12.5
Liberty Party (LP)	3	10	9	14.1
Unity Party (UP)	4	13.3	8	12.5
Independent	3	10	7	10.9
Alliance for Peace and Democracy (APD)	3	10	5	7.8
National Patriotic Party (NPP)	3	10	4	6.3
All Liberia Coalition Party (ALCOP)	1	3.3	2	3.1
Nation Democratic Party of Liberia (NDPL)	2	6.7	1	1.6
New Deal Movement (NDM)	-	-	3	4.7
National Reformation Party (NRP)	1	3.3	1	1.6
United Democratic Alliance (UDA)	-	-	1	1.6

**Source:** National Elections Commission of Liberia, 2005 Election Results, available online at [<http://www.necliberia.org/results>].

## Conduct of Elections

With some minor exceptions, the election was reportedly well-administered. About 1.35 million citizens registered to vote in April and May 2005, in a process that was marred by some minor acts and threats of violence and localized disruptions but was generally peaceful. Attempts by some NTGL ministers to try to run for office in the 2005 election, in violation of the 2003 peace accord, also sparked controversy. About 1.012 million registered voters (74.9%) participated in the October elections, and over 821,000 (60.7%) voted in the runoff poll. Registration results guided decision making about the distribution of polling places and electoral materials and the composition of constituencies. The large number of presidential candidates (over 50 initial prospective candidates, of whom 22 were ultimately registered) and registered political parties (30) reportedly proved confusing for some voters. Key election issues included national reconciliation and unity, corruption, jobs, general economic growth, and social services and physical infrastructure needs.

<sup>22</sup> (...continued)

*Destruction*, May 2005.

UNMIL elections staff and U.N. agencies supported media outreach and civic education, technical tasks, and electoral security coordination, together with the national police. UNMIL aid for the elections reportedly totaled about \$8 million, and the European Union pledged \$1 million. Most of \$10 million in U.S. elections assistance supported the programs of the nonprofit democracy strengthening organizations IFES (elections technical assistance); the National Democratic Institute or NDI (civic education); and the International Republican Institute or IRI (political party training). IRI and NDI, the latter jointly with the Carter Center, deployed teams to monitor the elections, as did the African and European Unions, the U.S. and many other governments, and international organizations. Over 6,000 domestic observers, including over 3,500 from civil society groups, also monitored the vote.<sup>23</sup>

## **Election Dispute**

Weah, who had claimed to have been cheated in the first round, contested his loss in the second round. Citing alleged evidence that he maintained had been turned over to him by “concerned citizens,” he claimed that the election had been rigged and “not free and fair” and called for a nullification and re-run of the vote. He pursued his claim through a number of formal channels, but after the NEC dismissed his claim, after meeting with Sirleaf, and under heavy international pressure, in late December 2005 he agreed to drop his claim and accept the poll results.

Many observers were skeptical about claims that systematic or large-scale fraud may have marred the election. U.S. officials viewed the process as having been orderly, largely well-administered, and free and fair, and such views were shared by most other governments and international entities that observed the vote. The United States nevertheless called for an investigation of Weah’s claims and for any contest of results to be carried out peacefully and through established legal channels.

## **New Government: Prospects**

President Sirleaf took office on January 16, 2006. In her inaugural address, she laid out a detailed, multi-faceted governance agenda. In late January 2006, she announced the first of several nominees to her cabinet. Most are seen as well-seasoned technocrats and professionals, but several proved controversial. Sirleaf began her tenure by launching a series of actions to counter corruption. She announced an audit of the transitional administration that preceded hers and dismissed all transitional government political appointees and, later, the entire staff of the Finance Ministry, pending a screening of employees’ qualifications and level of probity. In February 2006, she revoked all existing timber concession contracts, which had been widely criticized for being let in a corrupt fashion and for being executed in an environmentally unsustainable manner. This action provided the basis, in part, for the U.N. Security Council’s June 20, 2006, decision to lift a ban on

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<sup>23</sup> The author of this report observed the election as a member of the IRI delegation. In the county where he monitored the voting process, the election was well-run. Poll workers appeared well trained; voting equipment and materials were distributed on time and in sufficient quantity; and voting was peaceful and voter turnout rates high.

Liberian timber exports. Sirleaf has also suggested that she may review other contracts and concession deals granted by the transitional government. In early June, she fired three sub-cabinet level officials and several mid-level civil servants accused of corruption. Her administration is also set to publicly release audit reports of several state agencies.

Sirleaf has faced challenges in meeting high voter expectations, for instance in relation to her election promise to provide public electricity in Monrovia within six months of being elected, despite the complexity and great cost of such an undertaking. Many voters appear to have given the new government a honeymoon period, though expectations remained high following what many saw as disappointing performance by the transitional government. The public appears eager to see rapid improvements in social services and the construction of physical infrastructure, particularly in support of education, healthcare, and transportation.

Past incumbents were the beneficiaries of a long tradition of concentrated executive branch power and strong ruling party power. In the long run, Sirleaf may not be able to govern as unilaterally as they did, because the electorate gave no single party a strong governing mandate. In the 22-candidate presidential first round vote, no candidate garnered more than Weah's 28.3% of votes, necessitating a run-off presidential poll. That keenly contested election and the splintering of the legislature among many parties suggests that no party enjoys the backing of a majority of the electorate. Sirleaf's Unity Party does not enjoy a majority in the legislature, whereas several of the parties that lost in the presidential election are comparatively well positioned to potentially wield significant political power. To date, however, Sirleaf has been able to dominate the national policy agenda, in part due to limited capacity within the legislature. Poor relations between the executive and legislative branches in 2006 during the tenure of former House Speaker Edwin Snowe (see below), however, halted progress toward improving state governance capacity.

Many observers expected the legislature to take a more engaged and assertive role in policy-making than has been traditional in Liberia. The fractionalized make-up of the legislature and limited legislative experience by the current incumbents, however, has suggested that successful national policy decision making will require coalition-building and that many independents and small parties may be able to exercise substantial bargaining power within such a process. The same features have on occasion, however, also produced political gridlock or political flux characterized by fluid, *ad hoc*, and possibly issue-specific alliances, rather than clear and unified policy-making trends. Given the Liberian polity's fragmented nature; the fact that Weah's defeat has proven a bitter outcome for his largely youthful, sometimes volatile base of support; and because of deeply felt war-related social divisions and antagonisms, many analysts also see a need for Sirleaf to continue to pursue efforts to foster national reconciliation and rebuild national unity, goals that she vowed to strongly pursue in her inaugural address.

## **Sirleaf Policy Agenda**

In her inaugural address, Sirleaf laid out a multi-faceted policy agenda, based on what she pledged would be "a new era of democracy" characterized by political inclusion and toleration, non-violence, and safe-guarding and promotion of

constitutional and civil liberties and rights. She highlighted national reconciliation as the most “urgent” and “compelling” task facing her administration. In late February 2006, Sirleaf inaugurated the Liberian Truth and Reconciliation Commission (TRC), which was created by the transitional legislature in 2005. She also pledged to support and strengthen the TRC, which began operations in early June 2006 and has a mandate to investigate crimes and human rights abuses committed from 1979 until 2003.<sup>24</sup> The U.S. Agency for International Development (USAID) is providing \$.5 million (FY2006) in support to the TRC.

**Economic Renewal.** Sirleaf vowed to achieve “quick and visible progress” during the first 150 days of her tenure, in coordination with donors, under five “major pillars: Security, Economic Revitalization, Basic Services, Infrastructure, and Good Governance.” She outlined a plan for a \$1 billion “multi-year economic reconstruction plan tied to a Poverty Reduction Strategy Program” and vowed to pursue debt relief for Liberia and to meet the U.N. Millennium Development Goals. She proposed an economic agenda emphasizing the creation of an investment-friendly climate, the exploitation of Liberia’s rich natural resources, land tenure reform focused on increasing agricultural production, job creation — notably for youths — and expanded economic and social infrastructure rehabilitation, particularly targeting historically economically marginalized areas. Many observers view the broad dissatisfaction, extremely high jobless rates (the unemployment rate is commonly estimated at 85%), and economic and education disenfranchisement of Liberia’s large youth population as having been a key structural factor facilitating Liberia’s armed conflicts.

**Governance.** Sirleaf vowed to take forceful action against corruption, including by requiring all key officials to declare their assets and follow a National Code of Conduct, passage of which she outlined as a prospective legislative goal. She strongly endorsed and promised to “enforce” the Governance and Economic Management Program (GEMAP, discussed below) to deal with “serious economic and financial management deficiencies” and pursue an “integrated capacity building initiative.” She also vowed to overhaul the “seriously bloated” the civil service, while noting that civil servant pay was poor and in arrears. She promised to institutionalize a meritocratic civil service system based on “qualification, professionalism, and performance.”

**Foreign Policy.** Sirleaf declared economic private sector-focused regional integration and security cooperation to be her guiding foreign policy goal. She vowed to maintain strong international bilateral and multilateral partnerships, notably within multinational organizations and international treaty frameworks to which Liberia is a party. Notably, given recent regional history, she stated that “no inch of Liberian soil will be used to conspire to perpetrate aggression” against neighboring countries. Liberia established bilateral relations with China in late 2003, after the

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<sup>24</sup> The TRC website [<http://www.trcofliberia.org>] contains documents about the mandate and current activities of the Commission.

departure from power of President Taylor, who had maintained relations with Taiwan.<sup>25</sup>

**Women.** Paying homage to what she said were the special efforts of women in securing her election and the peace that made it possible — even in the face of war-related “inhumanity,” “terror,” military conscription, forced labor, and rape — Sirleaf vowed to “empower Liberian women in all areas.” She promised to strengthen laws and law enforcement to protect women against rape, support the education of children, notably of girls, and to provide programs to enable women to play a key role in the economic revitalization process.<sup>26</sup> Sirleaf nominated women to head multiple key public agencies.

In mid-April 2006, in a document entitled *150 Day Action Plan: A Working Document for a New Liberia*, the Sirleaf administration laid out the details and status of its on-going short-term, quick impact policy and project implementation efforts and achievements to date.<sup>27</sup>

## Criticisms of the Sirleaf Administration

The general public largely gave Sirleaf a political honeymoon in 2006, but she has been the target of some criticism, both of a routine political nature by opposition parties (including Taylor supporters upset by his extradition to the Hague) and by some human rights advocates. Although many Liberians and international human rights advocates have praised Sirleaf’s strongly stated support for such rights and the rule of law, for instance, some have criticized her nomination of the recently confirmed Kabineh Janneh as a Supreme Court Justice.<sup>28</sup>

In 2006, there were several reports of assaults or harassment of journalists by members of the Special Security Service (SSS), a Liberian executive branch security agency, and by regular police. In response, the Press Union of Liberia (PUL) threatened to launch a “news black-out” of coverage of the government. President

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<sup>25</sup> On China’s diplomatic rivalry with Taiwan, see CRS Report RL33510, *Taiwan: Recent Developments and U.S. Policy Choices*, and CRS Report RL32804, *China-U.S. Relations: Current Issues and Implications for U.S. Policy*, both by Kerry Dumbaugh. China’s role in Africa is covered in CRS Report RL33055, *China and Sub-Saharan Africa*, by Raymond W. Copson, Kerry Dumbaugh, and Michelle Weijing Lau.

<sup>26</sup> According to UNMIL media summaries, local Liberian media reported that a Liberian women’s group demanded the establishment of a special expedited rape cases court during a late June 2006 public demonstration. See also Katharine Houreld, “Liberia’s Women Fight Back,” *Mail & Guardian*, June 2, 2006.

<sup>27</sup> Available online from PeaceAfrica, a project of the AllAfrica Foundation. See [<http://allafrica.com/peaceafrica/resources/view/00010785.pdf>].

<sup>28</sup> Janneh was the transitional government’s justice minister and is a former leading member of the LURD rebel group. Critics see Janneh as responsible, in part, for violence committed by LURD fighters against civilians during the Liberian war and view his nomination as counter to the goals and spirit of the TRC. Michael Kpayili, “Liberia: Liberian Senate Confirms Kabineh Jan’eh As Associate Supreme Court Justice,” *The Liberian Times*, May 9, 2006.



Sirleaf reportedly responded to the allegations by stating that “those who violate the rights of the Liberian people or journalists for that matter will be dealt with and punished appropriately” and that her “government will not tolerate violation of the rights of people, including journalists.”<sup>29</sup> Information Minister Johnny McClain also met with the PUL and re-emphasized that the Sirleaf administration “is committed to press freedom and that there is a standing policy of respect and cordiality toward the press.”<sup>30</sup> The international press rights advocacy organization Committee to Protect Journalists (CPJ) has stated in an open letter to President Sirleaf that it is “troubled” by the alleged attacks on the press and that “despite an Information Ministry statement [...] affirming the government’s commitment to press freedom, there has been no evidence of an investigation into these incidents nor any public effort to punish those responsible.” The CPJ also stated in an open letter to President Sirleaf that

While there is no evidence that these incidents are the result of government policy, your administration has a responsibility to restrain security forces from attacking or harassing journalists who are trying to do their jobs. As an organization of journalists dedicated to defending the rights of our colleagues worldwide, CPJ respectfully urges you to make good on your pledges to uphold press freedom by ensuring a prompt and transparent investigation into these cases.<sup>31</sup>

## Security Conditions

Liberia’s security situation has improved markedly since August 2003 but remains “fragile,” subject to periodic volatility and localized instability, and “anchored on the presence of UNMIL” (see S/2006/159, March 14, 2006, *op. cit.*, and previous reports of the U.N. Secretary-General on UNMIL, among other sources).<sup>32</sup>

Liberia remains under U.N. sanctions, which were first imposed to counter the Taylor regime’s alleged regional destabilization efforts and other activities counter to international law and U.N. policy goals. Under the current sanctions, individuals associated with the Taylor regime’s sanctioned activities who had been subject to a

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<sup>29</sup> *The Analyst* (Monrovia), “Liberia: President Promises to Probe Manhandling of Journalists,” June 19, 2006.

<sup>30</sup> James Butty, “Liberian Media Reports Government Harassment of Press,” VOA, June 16, 2006; CPJ, “Liberia: Journalist Assaulted by Security Forces,” May 24, 2006; and CPJ, “Liberia: Sports Editor Assaulted,” March 10, 2006, among others.

<sup>31</sup> Ann Cooper, Exec. Dir., “Liberia: CPJ Urges President to Probe Attacks on Press [open letter],” CPJ, June 16, 2006.

<sup>32</sup> A February 16, 2007, State Department travel warning on Liberia states that “[t]he Department of State continues to be concerned about the security situation in Liberia,” despite the deployment of UNMIL, in part because “crime rates are still high, and resources for responding to emergencies of any kind are minimal. Liberia’s local and national police forces are in the process of being reconstituted and still lack adequate capacity to prevent or to investigate criminal activity.”

U.N. travel ban continued to be targeted, but the basis for other sanctions was altered. An arms embargo and bans on the export of Liberian timber and diamonds were imposed in order to counter the illicit exploitation and trade in natural resources and the proliferation and the regional trafficking of illegal arms used in conflicts in Liberia and West Africa generally.<sup>33</sup>

Due to Liberia's reported progress in complying with conditions that the Security Council required be met in order for it to lift the sanctions it had imposed, the Council lifted the timber ban in mid-2006. Nearly a year later, on April 27, 2007, it also ended the diamond export embargo (see section on "Diamonds" later in this report).<sup>34</sup>

More than 101,000 ex-combatants (22% women and 10.8% children), were demobilized under a disarmament program administered by UNMIL and the NTGL that ended in late 2004. Public security has periodically been threatened by a variety of actors and causes, though such threats were more prevalent during the transitional government's tenure than they have been during the Sirleaf administration. Threats have included criminal acts, often by ex-combatants; civil unrest related to socio-economic grievances, predominantly involving students, workers, civil servants, and jobless youth; former fighters awaiting reintegration and expressions of dissatisfaction by former members of the Liberian military relating to severance and pension payments, and members of security services not included in demobilization programs; and political groups who lost political power due to Liberia's elections and the attendant realignment of Liberian political forces. Price increases for rice, fuel, and cement are periodic sources of social dissatisfaction.

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<sup>33</sup> These sanctions were first imposed under U.N. Security Council Resolution 1521 (2003), which prohibited trade in arms and diamonds with Liberia, and the travel of certain designated individuals, mostly members or associates of the Taylor regime. Some of the listed individuals are also subject to financial asset freezes mandated by U.N. Security Council Resolution 1532 (2004).

<sup>34</sup> The Security Council lifted the ban on Liberian timber exports imposed by Resolution 1521 on June 20, 2006 (Resolution 1689). In passing Resolution 1689, however, it maintained the diamond export embargo, also imposed under Resolution 1521, and renewed the ban on December 20, 2006 (Resolution 1731). On April 27, 2007, the Security Council reversed course and lifted its diamond export ban (Resolution 1753). Its action removed a major barrier preventing Liberia's export of diamonds, but a separate Security Council-endorsed ban on Liberian diamond exports will remain in effect pending its formal admission into the Kimberley Process Certification Scheme, an international rough diamond trade regulation regime. That outcome was expected to occur shortly, within 90 days of the passage of Resolution 1753, in accordance with a Security Council recommendation in Resolution 1753, in which the Council also announced its intention to review Liberia's admission to and general compliance with the Kimberley Process. Liberia remains under the general arms embargo imposed by Resolution 1521, but on June 13, 2006 (Resolution 1683), the Security Council exempted from the ban limited weapons and ammunition "intended for use by members of the Government of Liberia police and security forces who have been vetted and trained" and certain armaments "already provided to members of the Special Security Service (SSS) for training purposes pursuant to advance approval."

Community-level property dispute conflicts have repeatedly occurred in some locales, notably in Nimba County in northern Liberia between members of the Gio/Mano and Mandingo ethnic groups. Contested claims over home and land occupancy and ownership rights are often at the center of such disputes, which sometimes take on ethnic dimensions. Such disputes often occur when displaced persons or refugees return to their places of origin and find their property occupied. A Presidential Commission created to probe such disputes in Nimba County has reportedly recommended to President Sirleaf that a process of community reconciliation and dispute resolution be pursued. President Sirleaf has also ordered that contested properties in Nimba be returned to their legal owners

The threat to Liberia from instability in neighboring Côte d'Ivoire, which has posed a significant external threat to the stability of Liberia and to sub-regional security for several years, according to United Nations reports, has waned somewhat with the signing of a peace accord in that country. Widespread violent general strikes in neighboring Guinea in early 2007, however, posed a new potential threat to Liberia's stability, though a political agreement ending the political standoff and the accession to office of a new Prime Minister in Guinea has reduced that threat.

Prior to his capture, U.N. and U.S. officials and many Members of Congress had been concerned about persistent, credible reports that Charles Taylor had periodically interfered in Liberian affairs from exile in Nigeria through a network of political, military, and business associates, which Taylor denied. These alleged actions were seen as destabilizing and threatening to the consolidation of peace (see section on Taylor below). There had been some speculation that former Taylor administration officials would make large gains in the 2005 elections and that he would be able to use them as proxies to influence the new government. There was no such general outcome, but several close Taylor associates were elected (see "2005 Post-War Elections," above). Although there are currently no specific publicly reported threats against Sirleaf, the United States provided her with a personal State Department Diplomatic Security team at the start of her tenure and has continued to help train the Special Security Service; these efforts are described below.

An electrical fire in the Executive Mansion in July 2006 during a visit by neighboring heads of state highlighted that Liberia largely lacks emergency services. Firefighters from UNMIL, the Firestone rubber company, and the international airport, the latter two based about 45 minutes out of the capital, were called in to fight the blaze, since National Fire Service largely lacks the capacity to respond to fires in the capital. That lack of capacity was again illustrated in August 2006, when the U.S. Navy's *Apache*, an ocean tug boat, helped to extinguish a fire on a commercial freighter in the Port of Monrovia, and later rescued a fishing crew at sea. The *Apache* crew was in Monrovia to conduct repairs on the city's main commercial pier and survey the harbor. Following the *Apache*'s departure from Liberia, marine safety experts from the International Maritime Organization (IMO) undertook an assessment of Liberia's search and rescue capabilities.<sup>35</sup>

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<sup>35</sup> Navy News Stand, "Navy Tug Fights Fire Aboard Freighter in Liberia," August 11, 2006 and "Navy Tug Rescues Liberian Fishermen," August 16, 2006; U.S. Embassy-Monrovia, (continued...)

## Rubber Sector Reform

Rubber has traditionally been a key source of state export revenues and employment in Liberia. The presence, however, of ex-combatants on several rubber plantations, some armed, has undermined the industry's post-war redevelopment. Rubber workers and local residents near plantations have reported that former fighters have robbed them and coerced them into selling rubber latex at sub-market prices, in the process earning revenues that were reportedly not taxed.<sup>36</sup> Ex-combatant control of plantations also reportedly resulted in unsustainable harvesting practices, various human rights abuses, and environmental degradation. To address this situation, in mid August 2006 the government and armed UNMIL troops took possession of Guthrie, a major rubber tree plantation, from former LURD ex-combatants who had squatted on it, tapping rubber and in some cases controlling local rubber sales. Guthrie had been the reported site of forced child labor and diverse violent crimes against persons

The repossession was one of the objectives of a joint government-U.N. task force created to make the rubber industry transparent, environmentally sound and sustainable, subject to state governance and regulation, and a source of legal jobs, including for the ex-combatants from whom control of Guthrie was seized. UNMIL plans call for a similar seizure of another key ex-combatant-occupied rubber plantation in the southeast county of Sinoe, though ex-combatants at the plantation have reportedly met with local officials and agreed to vacate the site peacefully.<sup>37</sup> In May 2006, the UNMIL Human Rights and Protection Section (HRPS) conducted a study of Liberia's rubber sector. It examined the industry with respect to human rights; post-conflict business practices and corruption; the status of and role of commercial rubber concession and management agreements; worker, child, and community rights; implications of the industry and practices within it for the environment; and the rule of law within the rubber sector, including issues relating to ex-combatant occupation of plantations. It provided key summary findings and laid out diverse recommendations pertaining to these issues.<sup>38</sup>

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<sup>35</sup> (...continued)

"U.S. Navy Tug Begins Repair Work in Liberian Harbor," August 10, 2006; and Karfa Jamanka, "Maritime Receives Assessment Team," *The Inquirer*, September 22, 2006

<sup>36</sup> Marcus Malayea, "Gunmen Seize Cocopa, Claim Right of Inheritance," *The Analyst*, August 18, 2006, among others.

<sup>37</sup> IRIN, "Liberia: Gov't Reclaims Rubber Plantation From Former Fighters," August 16, 2006; Alphonso Toweh, "Liberia takes rubber estate back from ex-rebels," Reuters, August 15, 2006; IRIN, "Liberia: UN Vows to Repossess Another Troubled Rubber Plantation," 23 August 23, 2006; and D. Sonpon Weah II, "Ex-Combatants At SRC Ready to Leave," *The Analyst*, September, 27, 2006.

<sup>38</sup> UNMIL, *Human Rights in Liberia's Rubber Plantations: Tapping into the Future*, May 2006.

## Security Sector Reform

With U.S. assistance, Liberia has begun to create a new military made up of an initial 2,000 recruits.<sup>39</sup> Recruiting targets call for 20% of this number to be female, and the recruitment pool has been drawn from across Liberia and includes members from diverse ethnic groups to ensure ethno-regional balance.<sup>40</sup> Selection of volunteer enlistees, for purposes of screening out human rights abusers, began in late January 2006, and selectees subsequently underwent a vetting process.<sup>41</sup> In November 2006, 106 soldiers graduated from basic training and are now undergoing advanced individual training, variously to become non-commissioned officers or to receive medical or other military occupational training. A second group of about 500 recruits is slated to begin training shortly. A total of about 1,000 personnel had been vetted and were qualified to be chosen for training as of late April 2007.

The State Department, in cooperation with the Defense Security Cooperation Agency (DSCA), is administering the overall military training program through two contractors: DynCorp International and Pacific Architects and Engineers (PAE), in coordination with U.S. military trainers. DynCorp is helping to vet, recruit, and provide basic training for the new force. PAE provides construction services and specialized advanced training, equipment, logistics, and base services. The training package is projected to cost about \$95 million, prospectively to be drawn from a mix of FY2004 through FY2007 International Disaster and Famine Assistance, Regional Peacekeeping, and Foreign Military Assistance funds, and possibly follow-on funds in subsequent fiscal years. The United States and Liberia have also signed a bilateral military cooperation agreement, though it is not directly tied to the State Department-administered military reform program.<sup>42</sup> A possible future area of U.S.-Liberia security sector engagement may focus on the development of Liberia's capacity to monitor and secure its oceanic fisheries, which are periodically poached by foreign trawlers, and prevent illegal maritime waste dumping.<sup>43</sup> Although Liberia largely

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<sup>39</sup> In mid-February 2006, President Sirleaf, stating that "our country currently lacks the technical and tactical capacities and proficiency to provide for its own defense and national security," appointed Major-General Luka Yusuf, a Nigerian UNMIL officer, to be Liberia's military Chief of Staff heading the rebuilding of the armed forces. This action drew criticism from former Liberian military elements, who called it unconstitutional and an insult to Liberia's national pride. She also said that she would seek the appointment of a U.S. military advisor. See *Agence France-Presse*, "Liberian Leader Names Nigerian to Head Military," February 13, 2006 and Alphonso Toweh, "Liberia Leader Gets Flak for Hiring Nigeria General," Reuters, February 14, 2006.

<sup>40</sup> Jonathan Paye-Layleh, "Liberia Begins Recruiting Women Soldiers," Associated Press, June 5, 2006.

<sup>41</sup> *The Inquirer* (Monrovia), "Liberia: Public Vetting for Army Recruits Begins Monday," June 23, 2006.

<sup>42</sup> The document signed is an Acquisition and Cross-Servicing Agreement (ACSA), one of 90 worldwide according to EUCOM, that permits "the exchange of logistics, support, supplies and services," between the United States and Liberia. U.S. EUCOM, "U.S.-Liberia Agreement Meant to Ease Acquisition Process," Press Release, April 24, 2007.

<sup>43</sup> Communication with State Department officials, May 1, 2007.

lacks the resources to field a coast guard, provisions for such an entity are expected to be included in a forthcoming National Security Strategy plan.<sup>44</sup> The Liberian government has voiced support for the emergent U.S. Africa Command, and offered to host it in the region, although most observers see this as unlikely, given the poor state of Liberian infrastructure and limited state capacity and resources.<sup>45</sup>

Military restructuring was hindered by a need to demobilize and verify the severance pay eligibility of over 13,000 irregular forces and Armed Forces of Liberia (AFL) soldiers. Funds for this purpose were initially scarce, but most irregular and regular forces have been demobilized. Total demobilization cost estimates vary between \$15 million and \$18 million. In late April 2006, 400-500 former AFL soldiers claiming nonpayment of salary arrears and retirement benefits conducted a violent protest outside the defense ministry and clashed with UNMIL peacekeepers sent to contain the unrest.<sup>46</sup> Budget support for the new military may prove difficult to sustain, given Liberia's modest annual budget and competing development and reconstruction priorities. Defense Minister Brownie Samukai, Jr., however, maintains that the government will keep the defense budget "in the single digits" as a proportion of the overall national budget.

The United States is providing Liberia with UNMIL-administered civilian police (CIVPOL) training assistance, which includes the deployment of about 20 U.S. CIVPOL advisors as members of UNMIL, as well as equipment and contractor-based logistical support. The United Nations reports that police reform and restructuring has made progress. As of mid-March 2007, 2,610 Liberian National Police had been trained as part of an effort to complete recruitment and training of 3,500 police officers by July 2007. Over 350 Special Security Services personnel and 210 Seaport Police had also completed training. An additional 500-member police quick-reaction force is planned. It would provide a mobile capacity to respond rapidly and robustly to significant threats to internal disruptions or threats to public security. It would be created over a five-year period. Although police have been trained, their deployment to the field, particularly up-country, has been slowed by a lack of basic infrastructure and police equipment, including vehicles and communication gear, though Liberia is receiving some donor assistance in the form of some vehicles and aid in rebuilding police stations. U.S. and UNMIL assistance efforts also support the rehabilitation of the judicial and penal systems.<sup>47</sup>

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<sup>44</sup> Liberian Defense Minister Brownie Samukai, Jr., presentation at U.S. Institute of Peace, May 11, 2007 and interviews with U.S. officials in Monrovia, 2005 and 2006.

<sup>45</sup> Ellen Johnson Sirleaf, "AFRICOM can Help Governments Willing to Help Themselves," *AllAfrica.com*, June 25, 2007. See CRS Report RL34003, *Africa Command: U.S. Strategic Interests and the Role of the U.S. Military in Africa*, by Lauren Ploch.

<sup>46</sup> Some of these soldiers may reportedly receive such back pay ("President Authorizes Defense Ministry to Pay Salary Arrears to Former Soldiers," UNMIL media summary citing ELBS Radio and Star Radio, June 14, 2006 ).

<sup>47</sup> See Fourteenth Progress Report of the Secretary-General on the United Nations Mission in Liberia, S/2007/151, March 15, 2007, and previous Secretary-General's reports on Liberia. Such U.S. programming is supported, in part, by USAID Rule of Law programs and separate ones carried out by the Justice Sector Support Liberia (JSSL) program of the State (continued...)

## Special Security Service

The Special Security Service (SSS), which provides executive branch and VIP close protection services, is undergoing a process of restructuring and professionalization. It was a roughly 1,252-member presidential protection unit that functioned under the NTGL and the Taylor government. Under Taylor, the SSS — which was run by Benjamin Yeaten, a former Taylor militia commander who is currently being sought by the Sirleaf government for alleged treasonous activities — gained a reputation for brutality. The SSS has continued to have a sometimes troubled reputation. Some members of the current leadership are viewed by informed observers as unprofessional and corrupt, and multiple acts of arbitrary violence committed by SSS officers have been reported.

As part of the restructuring process, a substantial number of SSS members have been decommissioned; on May 1, 2006, UNMIL announced that 841 SSS members had accepted U.S. and UK-funded buy-out packages and been deactivated in April. There are press reports, however, that allege that some decommissioned SSS officers have not received their severance packages, and there have been protests associated with such claims. Some protesting claimants, however, are reportedly ineligible to receive severance payments.

The restructuring process, which seeks to correct reported leadership weaknesses and professionalize all aspects of SSS organization and operations, is being undertaken with the assistance of the State Department's Diplomatic Security Service (DSS). Using a mix of Nonproliferation, Antiterrorism, Demining and Related Projects (NADR) and other foreign assistance funds, DSS directly provided close protection services for President Sirleaf during the first few months of her tenure, while about 100 SSS agents underwent specialized DSS close protection training in Liberia and in the United States. Another 300 SSS agents received basic close protection support and perimeter training in Liberia. About 600 SSS officers have also reportedly received general UNMIL police training. DSS is continuing to assist the SSS on an interim basis but is proposing to provide a more structured two-year-long assistance package. Under the proposal, DSS would provide five U.S. contract-based presidential security advisors who would help run SSS operations on an interim basis and at the same time help the SSS to enhance its operational and administrative capacities. Some equipment and training would be provided under the package, which is projected to cost about \$3 million per year.

## Humanitarian Conditions

Humanitarian conditions are steadily improving, although from a base of severe and widespread post-war need, and poverty remains endemic. Liberia continues to receive substantial international food aid and is highly donor-dependent. International assistance is, however, increasingly supporting resettlement and socio-economic recovery, rather than emergency humanitarian needs. According to

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<sup>47</sup> (...continued)

Department's Bureau of International Narcotics and Law Enforcement Affairs (INL).

a U.N. High Commissioner for Refugees (UNHCR) briefing note, about 200,000 Liberian refugees had repatriated by mid-February 2006. By late April 2006, over 321,000 internally displaced persons (IDPs), including over 59,000 families, had returned to their places of origin or resettled. Most had received resettlement assistance, usually consisting of basic non-food items, transport aid, and two months of food supplies. U.N. agencies, together with non-governmental organizations (NGOs) and NTGL ministries have implemented a wide range of reconstruction and capacity building projects relating to nutrition, water and sanitation, primary health care services, and transport infrastructure. Numerous schools have re-opened nation-wide, with extensive assistance from UNICEF.

Nearly all child ex-combatants have reportedly been reintegrated into their communities of origin, and most are receiving follow-up aid in the form of social services. In mid-March 2006, the U.N. Secretary-General reported (S/2006/159, March 14, 2006, *op. cit.*) that 65,000 of 101,495 demobilized ex-combatants had benefitted from donor-financed reintegration and rehabilitation projects, and that about 37,000 were still waiting to be placed in such programs. The Secretary-General reported that although funding was available for most of these ex-combatants, about \$5 million was “urgently needed” to provide such assistance to some 5,125 ex-fighters.

## Health Issues

Liberia faces substantial public health challenges. Malaria is endemic, water-borne stomach illnesses are common, tuberculosis cases often go uncured, and there are periodic outbreaks of diseases like Yellow Fever, measles, and cholera, but Liberia lacks an adequate health infrastructure for combating such illnesses.<sup>48</sup> Medical supplies and trained staff are in chronic short supply. A number of donor-backed initiatives help improve health care capacity, however. UNICEF is aiding the reopening of health clinics nation-wide, and a UNICEF/WHO polio vaccination campaign that began in October 2004 has reached some 1.2 million children. WHO coordinates a U.N./government/NGO/USAID technical group that is working to improve the national health system, notably regarding HIV/AIDS, malaria and tuberculosis (see below). WHO and FAO are also helping the government to create an avian flu surveillance and response plan.

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<sup>48</sup> War-related psycho-social trauma is also seen as widespread. The preliminary findings of a September 2005 WHO/Liberian government sexual and gender-based violence survey found that 91.7% of women and girls interviewed had been the victims of multiple violent acts during Liberia’s war (Security Council, S/2005/764, December 7, 2005). The transitional legislature made all rape illegal in December 2005 (only gang rape had previously been illegal) and laid out punishments for rape-relation violations, but activists say increased sexual violence-related law enforcement is needed. See U.N. Integrated Regional Information Networks (IRIN hereafter), “Liberia: Sexual Abuse of Children Still Rampant, Report Says,” February 22, 2006, *inter alia*.



## AIDS

The threat of HIV/AIDS in Liberia is gaining increasing attention. Although no reliable national prevalence tests have been completed recently — though such efforts are underway — Liberia is estimated to have an HIV infection rate of between 5.9% and 8.2%; some observers believe that the rate could be as high as 12% in some population sub-groups.<sup>49</sup> The UNMIL HIV/AIDS Adviser's Office is supporting public education-related AIDS prevention and national planning efforts focused on care of orphans and vulnerable children, among other activities. The World Health Organization, in coordination with other U.N. agencies and the NTGL, is developing project proposals to fight AIDS, malaria, tuberculosis and build health system capacity. The U.N. Population Fund supports several AIDS awareness and prevention programs. Liberia receives Global Fund assistance, but its application for further assistance under the Fund's recent Round 5 funding project assessment process was reportedly rejected.<sup>50</sup>

USAID implements several AIDS-related programs in Liberia on behalf of the Office of the U.S. Global AIDS Coordinator (OGAC). These include the first post-war demographic health survey, in partnership with other donors, which includes HIV surveillance; targeted behavior change efforts focusing on youth and other groups; and support for home-based care and related assistance. In her inaugural speech, in which she cited the 12% infection rate, President Sirleaf vowed to “tackle this national scourge by updating and reinvigorating our HIV/AIDS policy within our first 150 days [and...] reconstitute and empower, along with our development partners, the National Commission on HIV/AIDS.” At a February 2006 House International Relations Committee hearing on Liberia (see below), Members suggested to USAID Assistant Administrator for the Bureau for Africa Lloyd O. Pierson that Liberia be considered for U.S. assistance under the Presidents Emergency Plan for AIDS Relief in South Africa (PEPFAR), a consideration that Mr. Pierson stated he would raise with appropriate Administration officials.

## Governance: Background

Liberia's supreme law is its 1984 constitution, effective since 1986. It provides for a political and legal system that is substantially modeled on that of the United States, though not entirely; for instance, federalism is absent. Liberia's government is made up of three branches that exercise separate powers and authorities: a bicameral legislature, which consists of a 64-member House and a 30-member Senate; a presidentially led executive branch that controls multiple line ministries and several independent agencies; and a judiciary. Legislators are directly elected by voters in each of Liberia's 15 counties, while the president is directly elected by universal suffrage. The President and House Members are each elected to six-year

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<sup>49</sup> IRIN PLUSNEWS, “Youth Not Putting HIV Prevention Lessons into Practice,” October 27, 2005 and USAID, Health Profile: West Africa-HIV/AIDS, n.d.

<sup>50</sup> For background on the Global Fund, see CRS Report RL31712, *The Global Fund to Fight AIDS, Tuberculosis, and Malaria: Background and Current Issues*, by Tiaji Salaam.

terms, and Senators serve nine-year terms, except in cases of irregular vacancies of elected positions. Presidents may serve up to two terms. Although the Sirleaf government's mandate is derived from the constitution, that of the NTGL was extra-constitutional. During its tenure, those provisions of the Constitution and laws of Liberia that were inconsistent with the provisions of the 2003 Comprehensive Peace Agreement were suspended, though all other provisions of the constitution remained in force.

Although Liberia's constitution provides for a system of checks and balances among the three branches of government, in practice the executive branch has historically exerted extensive influence over the legislature, the judiciary, and local governments. Past Liberian presidents have wielded exceptional, sometimes extra-constitutional powers and closely controlled the legal system, the security forces, and the economy. Liberia has also long suffered from the effects of public sector corruption and a tradition of political patronage that has resulted in uneven, urban-centered socio-economic development and often deprived large segments of the population, in particular the rural indigenous majority, of access to public goods and services.

## Transitional Government

Progress in governance under the NTGL was mixed. Although it carried out most basic functions, the restoration of state authority and the rehabilitation of state institutions under its authority were hampered by central government ministry inefficiencies, widespread resource constraints, and lack of institutional and financial system capacities and trained manpower. Progress was reported in the last half of the transitional government's tenure, however. Many revenue, customs, immigration, and local officials were deployed to sites outside Monrovia, and regional Central Bank offices opened, permitting salary payments without recourse to time-consuming travel to Monrovia. USAID is supporting the rehabilitation of administrative buildings in several key counties.

Among the most challenging issues facing governance capacity-building efforts were persistent reports of corruption within the NTGL, in some cases on a large scale. Alleged acts were particularly notable in the context of import-export transactions, government contracts and budgeting, and the issuance of commodity marketing or land, natural resource, and associated concession rights.<sup>51</sup> The U.N. Secretary-General reported in mid-March 2005 that there was a "lack of [NTGL] transparency in the collection and use of revenues and the resistance of some government and public corporation officials to reforms and audits aimed at fighting corruption" (S/2005/177). The World Bank and bilateral donors made similar observations and called for transparency measures. National fiscal and budget obligation mechanisms and voucher record-keeping systems under the NTGL were

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<sup>51</sup> See, for instance, *The Analyst*, "NTGL's Past Haunts Bryant, Others," March 9, 2006, regarding Liberian parliamentary investigations into the transitional government's budget and EU audits of key Liberian parastatals, available online through FrontPage Africa [<http://www.frontpageafrica.com>].

chaotic and subject to manipulation by key officials in some cases.<sup>52</sup> In some government agency budgets, the miscellaneous expense budget account category “Other” was reportedly substantial in many cases, and expenditures of such “Other” funds were said to have been carried out in an *ad hoc* manner, with few controls. Actions by the transitional legislature either to appropriate for private use or pay very nominal lease fees for expensive vehicles that each legislator was given drew local and foreign condemnation. In November 2005, the U.S. Embassy in Monrovia stated that the U.S. government was

shocked and disappointed by the recent incidents of transfers of Liberian Government property and resources into private ownership. This drains vital government resources that could otherwise be used for critical developmental programs, and sends the wrong signal to international donors who finance such programs. It also perpetuates the culture of abuse of public trust and impunity that has contributed to two decades of decline in Liberia. The U.S. Embassy considers these transfers unscrupulous, irresponsible, and contrary to the public interest of the people of Liberia. Liberian government resources are for the benefit of the Liberian people and should not be misappropriated for private use.<sup>53</sup>

Citing a 2004 presidential proclamation, it stated that Liberian government officials who engage in “violations of the public trust” and persons who abet such actions might, along with their families, be ineligible for U.S.-funded programs and services, including consideration for Diversity Visa, Immigrant Visa, and other visa services.<sup>54</sup>

Liberia is not eligible for African Growth and Opportunity Act (AGOA) benefits, “largely for reasons related to its poor record on economic reform, rule of law, corruption, human rights, and regional destabilization,” according to the Office of the U.S. Trade Representative (USTR).<sup>55</sup>

## Concession Deals

Natural resource and land concession contract deals drew attention during the NTGL’s tenure because of their financial significance and potential long-term effects

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<sup>52</sup> Discussion with U.S. embassy official.

<sup>53</sup> See U.S. Embassy-Monrovia, “U.S. Embassy Shocked and Disappointed at Abuse Of Public Trust,” Press Release, November 18, 2005, and Integrated Regional Information Networks (IRIN), “Liberia: Scramble for Goodies Ahead of Political Handover,” November 21 2005. IRIN is an editorially independent component of the U.N. Office for the Coordination of Humanitarian Affairs. It provides news and analysis about sub-Saharan Africa and other selected global regions. It seeks to inform decision makers in host and donor governments, non-governmental and international humanitarian and advocacy organizations, academic institutions, and the media about developments in the regions it covers.

<sup>54</sup> See Proclamation by the President, *To Suspend Entry as Immigrants or Non-immigrants of Persons Engaged in or Benefitting From Corruption*, January 12, 2004.

<sup>55</sup> USTR, *2005 Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act*.

on national development. U.N. experts and donor governments questioned the propriety of a March 2005 monopsony diamond concession deal with a previously unknown firm, which was later canceled. Some observers also questioned the NTGL's award of offshore oil exploration permits to three relatively obscure firms just prior to elections.

The NTGL also signed two major long-term natural resource concession deals. One, with the Firestone group of companies, extends and amends a previous series of concession agreements, first signed in 1926, giving Firestone rights to large plantation areas for the cultivation of rubber.<sup>56</sup> The contract was amended, in part, because Firestone contended that it was unable to exploit its holdings due to fighting over the last decade and a half, and in order to boost foreign investment in Liberia. The deal gave the Firestone group surface rental and other rights to nearly 200 square miles of active or proposed rubber plantation land for 36 years in exchange for \$.50 per acre per year and various investments, tax payments, social and infrastructure development outputs, and various other commitments. It was extendable for an additional 50 years after renegotiation. Another deal, with Netherlands-based Mittal Steel Holdings, provided for the rehabilitation or construction of diverse mining, administrative support, processing, and transport infrastructure intended to support the extraction and shipment of iron ore from northern Liberia. It gave Mittal a variety of surface rental, mineral license, iron ore extraction, transport infrastructure construction, and other rights in exchange for diverse capital investments, totaling about \$900 million, and royalty, lump sum, tax, and other payments to the government. The initial term of 25 years was extendable for an additional 25-year term, if certain criteria were met.

Both deals drew criticism from some civil society groups that contended that the NTGL lacked a legal mandate to negotiate long-term concessions, that such functions could only be carried out by a duly elected government, and that such deals should be negotiated in a manner more favorable to Liberian economic and other national interests.<sup>57</sup> The contracts were also politically controversial. The Mittal deal was the subject of rival bids by the large mining firms Global Infrastructural Holdings Limited (GIHL), BHP Billington and Real Tito, and its ratification was contested legally and in parliament. Some civil society critics have alleged that the deals were

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<sup>56</sup> The agreement is between the government of Liberia and Firestone Natural Rubber Company, a U.S. limited liability firm that is an affiliate of Bridgestone-Firestone North American Tire, and its Liberian subsidiary, Firestone Plantations Company.

<sup>57</sup> A coalition of Liberian human rights groups unsuccessfully petitioned the Liberian Supreme Court to halt execution of the two contracts on such grounds and contended that the deals had been made without public input. The complainants reportedly may seek to re-file their case after the formation of the new elected government. See Morrison O.G. Sayon, "Supreme Court Places 'Stay Order', Firestone, Mittal Steel Agreements," *The Inquirer* (Monrovia), November 7, 2005; John Walsh, "Supreme Court Issues Stay Order On NTGL; Ja'neh Appears Today," *FrontPageAfrica*, November 7, 2005; George Bardue, "Supreme Court Stops Budget Execution and Summons NTGL Officials," *The News* (Monrovia), November 7, 2005.

not undertaken in a transparent manner.<sup>58</sup> Mittal denied that charge and maintained that the contract was won in a “transparent and competitive bid process” and will bring significant foreign investment and infrastructure development to Liberia.<sup>59</sup> The former U.S. Ambassador to Liberia, John Blaney, reportedly pushed for a deal that would require that a major railroad that was to be rehabilitated as part of any proposed iron ore investment arrangement would be made into a multi-use railroad, regardless of what firm was awarded mining rights.<sup>60</sup>

The Firestone contract has also drawn attention for other reasons. Some Firestone plantation workers have complained about poor working conditions and high production quotas. Some environmental advocacy groups and residents living near Firestone rubber processing facilities have alleged that chemicals used in latex processing are polluting wells and the water and aquatic life of the Farmington River, and damaging these resources or preventing their use by local residents.<sup>61</sup> A Firestone spokesperson has denied that “effluent — the by-product that comes out into the water from our operations” pollutes the Farmington River. A Firestone spokesperson reportedly stated that Firestone “consistently” samples water from the Farmington River, is in compliance with relevant Liberian environmental laws, and has developed multiple safe drinking wells areas in its plantation concession area.<sup>62</sup>

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<sup>58</sup> Ben Garside, “Police probe Mittal Steel’s Liberian Iron Ore Deal,” *Metal Bulletin News Alert Service*, July 13, 2006.

<sup>59</sup> Alphonso Toweh, “Liberia Minister Wants Mittal Iron Ore Deal Revised,” *Reuters*, September 14, 2005; D. Moses Wantu, “Mittal Steel Hearing Backfires,” *The Analyst* (Monrovia), September 6, 2005; Economist Intelligence Unit, “Liberia: A steel?,” *Country Monitor*, August 29, 2005; Steve Swindells, “Mittal Steel Defends Pursuit of Liberian Iron Ore Concession,” June 14, 2005 *Metal Bulletin News Alert Service*; *The Analyst* (Monrovia), “Bryant, Mittal Steel Flout Law,” June 13, 2005; *The Analyst* (Monrovia), “NTGL Sued in U.S. District Court - Over LIMINCO Bidding,” June 13, 2005, *inter alia*.

<sup>60</sup> A smaller former mine railroad between Monrovia and Bong County has been rehabilitated by AmLib, a mineral exploration firm, and put into use as a multi-use transport line. It has reportedly contributed to a several-fold drop in charcoal prices in Monrovia, and is increasing the supply of other farm products to the capital. Charcoal is the main cooking fuel in Liberia.

<sup>61</sup> Pollutants that reportedly may potentially be released into rivers or streams in the Firestone concession area as a result of agricultural or rubber processing include chemical residues such as ammonium nitrates, sulfuric acid, formaldehyde, and pesticides like dieldrin. *The Analyst* (Monrovia), “EPA Wants Tough Measures Against Firestone,” April 5, 2005; George Bardue, “Firestone Discharges Waste Without Permit, Management Admits,” *The News*, March 18, 2005; Gibson W. Jerue, “Threat to Life,” *The Analyst* (Monrovia), March 14, 2005; and Syrulwa Somah, “Liberia is At a Brink of Irreversible Environmental/Ecological Impotency,” *Liberian Observer*, March 21, 2005; and *The Analyst* (Monrovia), “Firestone Refutes Allegations, Says It Has Acted In Line With The Laws, But,” March 17, 2005.

<sup>62</sup> The Firestone spokesperson reportedly stated that such effluent “is comparable to if not lower than the effluent standards in other rubber-producing countries such as India Malaysia and Indonesia.” See BBC News, “Liberia Rubber Pollution Denied,” May 2, 2007.

The Firestone group also is the subject of a class action suit brought in California by the International Labor Rights Fund, an advocacy organization that says its goal is to counter child, forced, and other abusive labor practices internationally, including through litigation. The suit alleges that Firestone employs children, practices forced labor, involuntary servitude, and negligent employment practices. Firestone categorically denies these charges, describing the suit as “outrageous” and “completely without merit.” It maintains that its operations comply fully with Liberian laws and asserts that its workers are all adults of legal working age, are union-represented, are paid well above prevailing wages, and are provided with social services, and that Firestone is bringing much needed investment to Liberia.<sup>63</sup> In June 2007, a U.S. District Court (Indianapolis Division, Southern District of Indiana) judge granted Firestone's motion to dismiss 11 of 12 counts in the case, but denied the motion with regard to one count, a child labor claim made under international law and the Alien Tort Statute (ATS).<sup>64</sup>

In late April 2007, Firestone production was decreased as a result of a labor strike that reportedly concerned worker benefits, contestation over leadership control of the union, and issues related to talks on a collective bargaining agreement.<sup>65</sup>

**New Contracts.** Upon taking office, President Sirleaf vowed to review and renegotiate the contracts to ensure that they are fair, provide Liberia with favorable terms, and do not cede national financial or other interests to Mittal or Firestone, or give the firms undue control over variables such as future prices or contingent regulatory powers. A renegotiated Mittal contract has reportedly passed the Liberian Senate and is slated to go to conference. A new Firestone contract is reportedly under negotiation.<sup>66</sup>

According to Global Witness, a non-governmental organization critic of the original Mittal contract, improvements in the revised contract include

- Provisions requiring iron ore prices under the contract to be set by the ore market, in contrast to the first contract, which gave Mittal the

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<sup>63</sup> Femi Oke, “Is Bridgestone/Firestone Exploiting Liberian Workers?,” *Inside Africa*, CNN International, November 12, 2005; Joe Bavier, “Firestone Lease an Issue in Liberia Election Campaign,” VOA News, September 14, 2005; Gary Gentile, “Firestone Accused of Using Slave Labor,” Associated Press, November 17, 2005; and Reuters, “Labor Group Sues Bridgestone on Liberia Plantation,” November 17, 2005, *inter alia*.

<sup>64</sup> See U.S. District Court, Southern District of Indiana, Indianapolis Division, John Roe I, et al., Plaintiffs v. Bridgestone Corporation, et al., Defendants, Case No. 1:06-cv-0627-DFH-JMS, [<http://www.insd.uscourts.gov/Opinions/AP627001.pdf>].

<sup>65</sup> Reportedly at issue in strike was an internal union split dividing, including between workers supportive of leaders favorable to accommodation with Firestone and a group seen as sympathetic to the views of the Minister of Labor, a long time human rights and labor activist. Tim Urquhart, “Strikes Hit Production at Bridgestone’s Liberian Factory,” Global Insight Daily Analysis, April 30, 2007; James Butty, “Liberia Begins Reviewing Firestone Agreements,” VOA News, April 5 2007; and information provided by the State Department.

<sup>66</sup> Butty, “Liberia Begins Reviewing Firestone....,” *op. cit.*

right to set the price, “thereby giving it control of royalty rates and tax payable, and encouraging transfer pricing”;

- A limited five-year tax holiday for Mittal, in comparison to an indefinitely extendable one;
- Liberian national control over two key public infrastructure assets, the port of Buchanan and the railway to Yekepa (a major iron ore mine site);
- The non-exemption of Mittal from future human rights or environmental laws passed by Liberia;
- Recognition of the Mittal parent company’s responsibility for liabilities faced by its operating affiliate in Liberia; and
- Increased balance between the rights of existing property holders and Mittal regarding the latter’s right to expropriate new concession land.

Global Witness, however, continues to criticize what it asserts is the contract’s “precedence over Liberian law on income tax, royalties and other payments due to government.” It also views in a negative light a contractual confidentiality clause “which will make it very hard for Liberian citizens to monitor revenue flows from Mittal and ensure the government uses the money wisely to reduce poverty.”<sup>67</sup> Such a measure would likely be subject to change if Liberia were to comply with the international Extractive Industries Transparency Initiative (EITI), which Liberia reportedly may seek to join.<sup>68</sup>

## **NTGL Anti-Corruption Efforts**

The NTGL took some steps to halt corrupt practices. It established a Task Force on Corruption and a Cash Management Committee and attempted to eliminate bribe-taking in relation to commodity imports, notably by better managing Monrovia’s port, of which UNMIL took temporary control in late April 2005. In addition, the National Transitional Legislative Assembly (NTLA) created a committee to investigate allegations of administrative and financial irregularities by its leadership, which eventually led to the removal of key NTLA leaders. Some observers, however, saw the NTGL Task Force as lacking the capacity or political will to achieve significant results, and some Liberian officials resisted donor and ECOWAS-backed transparency and audit measures. An African Development Bank loan was reportedly not disbursed in 2005 because Liberia failed to provide required fiscal data, and an ECOWAS-sponsored auditing mission was opposed by Liberian auditors and certain government officials, who cited concern over a violation of Liberian sovereignty, despite the publicly-stated support of Chairman Bryant for the audit. In July 2005, Chairman Bryant suspended two officials over their alleged

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<sup>67</sup> See Global Witness, “Mittal Steel Did the Right Thing — Will Firestone?,” April 4, 2007.

<sup>68</sup> EITI attempts to foster transparent and accountable governance in resource-rich countries by requiring verification and full publication of company payments to governments and of government revenues derived from natural resources. It also seeks to create multi-stakeholder dialogue and monitoring partnerships in developing countries to increase government accountability.

diversion of funds paid by the satellite communications firm Inmarsat to several Liberian state entities, and the NTGL suspended three Bureau of Maritime Affairs officials, including the Commissioner, and Liberia's International Maritime Organization representative for fraud.<sup>69</sup>

To help the NTGL tackle corruption, the United States sent several Treasury Department experts to advise the Liberian government in the areas of budget and tax policy, management, and administration and in central bank operations and fiscal policy and regulation. These U.S. experts have also assessed Liberia's financial enforcement (financial crime and corruption) capacity. A resident U.S. legal advisor and a temporary duty team of prosecution experts have been deployed to Liberia to assist in building Liberia's judicial capacity. Similar efforts have continued under the Sirleaf administration.

Concerns over transparency produced a sometimes halting and often highly conditional provision of pledged aid by donor governments and agencies to NTGL-led Liberia, as well as some reticence to offer new funding. This negatively affected the scale and pace of resettlement, reintegration, and socio-economic rehabilitation. Nonetheless, a network of national, international, U.N., and private development and relief organizations has made considerable progress in these areas. Most of them participate in an inter-sectoral, U.N.-coordinated initiative, the Results-Focused Transitional Framework (RFTF). An April 2005 NTGL/U.N./World Bank assessment of the RFTF found that it has been effective in "addressing short-term, stabilization priorities," but that medium- to long-term post-transition institutional and reconstruction development will require a more robust, coherent, and comprehensive strategy.

## Key Governance Issues

### Anti-Corruption Efforts Under Sirleaf

Liberian-donor government relations have improved under President Sirleaf, in large part due to her strong support for anti-corruption and other economic governance efforts. In late January 2006, she announced a financial audit of the outgoing transitional government, which had repeatedly been accused of corruption. Sirleaf has also suggested that she may seek a review of other public contracts and concession deals granted by the NTGL.<sup>70</sup> The Liberian government is also working to reform its key export-earning forestry and diamond sectors.

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<sup>69</sup> Liberia's Solicitor-General, the former human rights lawyer Tiawan Gongloe, reportedly stated that the Liberian government will seek to extradite from the United States the former Maritime Commissioner, J.D. Slangar, to face charges of alleged public funds embezzlement. "Accused Former Official to Be Extradited," UNMIL Media Summary June 19, 2006 citing the *Daily Observer* and *New Democrat* newspapers.

<sup>70</sup> Katharine Houreld, "Liberian Leader Says to Review Govt Contracts," Reuters, February 20, 2006.



## Forestry Sector

In early February 2006, Sirleaf adopted the recommendations of the Liberian Forest Concession Review Committee, an entity comprised of Liberian civil society, government agency, UNMIL, and donor government representatives. It reviewed the legality and propriety of logging concession contracts and recommended diverse logging sector reforms. Sirleaf's action effectively canceled all existing logging concessions and created a Forestry Reform Monitoring Committee (FRMC) to regulate future concession contracts. The natural resources and human rights policy advocacy group Global Witness, which has tracked abuses and corruption in Liberia's forestry sector for several years, praised the move. It called, however, for "greater support" by UNMIL "to the Forestry Development Authority ... to ensure that it is able to operate in a secure environment" as a prerequisite to the removal of then-current U.N. timber sanctions on Liberia.<sup>71</sup> UNMIL, along with a consortium of donor governments and specialized agencies known collectively as the Liberia Forest Initiative (LFI), is assisting the Liberian government to implement timber reforms.<sup>72</sup>

The FRMC is tasked with carrying out its functions by applying or establishing the following:

- land-use planning principles;
- a timber production and export chain-of-custody tracking system;
- a market value-based tax system timber tax system defined by "equitable sharing of the benefits with local communities;"
- revised contract requirements;
- transparent forest concession allocation procedures, based on Liberia's Public Procurement and Concession Act of 2005, which allows the suspension of participants who abet civil disturbances or default on their financial obligations — a key aim in light of alleged patterns of abuse under the Taylor administration;
- a regulatory and law enforcement regime to counter financial and tax fraud, human rights abuses, economic sabotage, and violations of labor and other laws relating to the misuse and mismanagement of forest resources; and
- an environmental impact assessment process.

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<sup>71</sup> "Global Witness Welcomes President Sirleaf's Decision to Cancel All Forest Concession Agreements," February 9, 2006.

<sup>72</sup> The Liberia Forest Initiative (LFI) began in 2004 as a U.S. government, State Department-led inter-agency and non-governmental organization effort to provide coordinated assistance to Liberia's forestry sector. U.S. government agency participants other than the State Department included the U.S. Forest Service, USAID, and the Treasury Department. These agencies collaborated with several U.S. and Liberian non-governmental organizations to help lay the groundwork for technical, legal, and regulatory and other reforms of the sector. LFI was later joined by the World Bank, the European Commission, the Food and Agriculture Organization (FAO), the International Monetary Fund (IMF), and the World Conservation Union (IUCN). Information on the LFI is available online. See [<http://www.fao.org/forestry/site/lfi>].

It was also given the tasks of advising on the implementation of GEMAP goals (see below) as they pertain to the Liberian Forestry Development Authority; ensuring the full and transparent participation of communities and civil society in forest management, conducting a full review of the forestry laws and regulations; and recommending legislation to implement forestry reforms.<sup>73</sup>

Sirleaf's cancellation of prior logging concessions and creation of the FRMC were seen as key steps prompting the U.N. Security Council to pass Resolution 1689 on June 20, 2006, which lifted the ban on Liberian timber exports first imposed under Security Council Resolution 1521 (2003). In passing Resolution 1689, the Security Council cited the Sirleaf administration's "commitment to transparent management of the country's forestry resources for the benefit of Liberians and its reforms in the timber sector." It warned, however, that it would reinstate the timber ban if the government does not adopt FRMC-proposed forestry reform legislation. Global Witness opposed the Security Council's lifting of sanctions, contending that the Liberian government lacks full control over forest lands and has not yet adequately reformed the forestry sector.<sup>74</sup> Some other experts have expressed concerns that echo those of Global Witness.<sup>75</sup> The U.S. Treasury's Office of Foreign Assets Control is reportedly currently preparing updated regulations to allow the import of Liberian timber into the United States.

In early October 2006, President Sirleaf signed into law the National Forestry Reform Law of 2006, passed by the legislature in mid-September 2006 in one of its first major legislative actions. In doing so, she fulfilled the U.N. Security Council's criteria for lifting its ban on exports of Liberia timber. Among other measures, the new law divides Liberia's forest lands into three categories: protected areas, areas where community logging and wood processing can be pursued, and commercial logging concession areas. It also requires that logging firms publicly disclose their revenues and that 30% of commercial timber concession lease revenues be used to fund education, healthcare, and other basic community social services. The law reportedly does not, however, clearly define how revenues for such services are to be divided among beneficiaries, which may make decision making processes pertaining to that end politically controversial. Liberia's Forestry Development Authority is currently formulating a timber concession bidding process, based on the new forestry law, that is slated to be implemented in early 2007. Environmental activists are monitoring this process to ensure that it meets the forestry management, conservation, and other goals of the new law.<sup>76</sup>

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<sup>73</sup> See *Liberia, Forest Sector Reform* (Executive Order #1), February 7, 2006, available online at [<http://www.elaw.org/resources/text.asp?id=3051>].

<sup>74</sup> See Global Witness, "United Nations Security Council Lifts Liberia Timber Sanctions Despite Insufficient Reform of the Industry [press release]," June 22, 2006, and Global Witness's *Cautiously Optimistic: The Case for Maintaining Sanctions in Liberia*, June 2006.

<sup>75</sup> E.g., remarks at "Conflict Timber, Sustainable Management, and the Rule of Law: Forest Sector Reform in Liberia," Woodrow Wilson Center panel presentation, June 8, 2006.

<sup>76</sup> "Liberian Leader to Ratify Forest Concession Pact to Ensure End of Un Timber Ban," (continued...)

Liberia's forests are the home to diverse species of flora and fauna, some rare or endangered. According to U.N. research findings, in 2000, Liberia's forests "constitute[d] approximately 45% of the remaining Upper Guinea Forest, which spans 10 West African States from Guinea to Cameroon" and were "variously assessed as [occupying] between 31.3% and 50% of the total territory of Liberia." Estimates of the contribution of timber exports to Liberia's foreign exchange earnings vary. They declined after the imposition of sanctions on such exports in 2003, but U.N. research findings indicate that for 2002, such earnings totaled "at least \$146 million" and could have been as high as "\$180 to 200 million."<sup>77</sup> Although precise data on the value of pre-war timber revenues vary, such revenues are generally thought to have comprised as much as half of all export earnings.

Depending on such factors as price, rates of cutting, and relative use of sustainable forestry practices, future export levels could vary widely from those estimated for 2002, when forestry concessions were administered by the Taylor regime and harvested by commercial interests with allegedly close links to the Taylor administration. The Taylor regime was accused of allowing the use of unsustainable forestry practices and illicitly diverting earnings from the timber sector. It also allegedly used some timber firms' transport and trade activities as cover for arms trafficking and turned the security forces of some firms into pro-government militias.<sup>78</sup> In early June 2006, Guus Kouwenhoven, a Dutch businessman and associate of former President Taylor, was convicted of using the Oriental Timber Company, in which he reportedly owned a 35% share, to import small arms to Liberia in violation of a U.N. weapons embargo on Liberia. Kouwenhoven, who held other business interests in Liberia and was listed on a U.N. travel sanctions list, was acquitted of charges of war crimes and crimes against humanity.<sup>79</sup>

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<sup>76</sup> (...continued)

Liberian Star Radio via BBC Monitoring Africa, October 4, 2006; UN News, "Country Enacts New Forest Policy With UN Help to Ensure Benefits for All," October, 5, 2006; IRIN, "Government Lays Foundation for Legal Logging," December 15, 2006; and Environmental Law Institute, "Liberian President Ellen Johnson-Sirleaf Signs National Forestry Reform Law of 2006," October 5, 2006.

<sup>77</sup> See United Nations, *Report of the Secretary-General in Pursuance of Paragraph 19 of Resolution 1478 (2003) Concerning Liberia*, S/2003/793, August 5, 2003.

<sup>78</sup> See *Taylor-Made: The Pivotal Role of Liberia's Forests and Flag of Convenience in Regional Conflict*, Global Witness and the International Transport Workers Federation, September 2001, *inter alia*. The environmental activist Silas Siakor, who ran the Save My Future Foundation (SAMFU) of Liberia from 2000 to 2003, is credited by many with carrying out then-politically risky documentary work that eventually led to the imposition of U.N. forestry sanctions on Liberia. Siakor, a 2006 Goldman Environmental Prize winner, now heads the Sustainable Development Institute (SDI), an NGO that helps to coordinate Liberian civil society participation in national forest sector reform efforts. See SAMFU, *Living Dangerously: An Assessment of Multinationals in Liberia Logging Industry*, February 20, 2001.

<sup>79</sup> See Steve Bloomfield, "Dutch Court Jails Liberian Warlord's Right-Hand Man," *The Independent*, June 8, 2006 and Toby Sterling, "Dutch Court Convicts Businessman of Violating U.N. Arms Embargo on Liberia," Associated Press, June 7, 2006, among others.

## Diamonds

On May 4, Liberia was admitted into the Kimberley Process following the United Nations (U.N.) Security Council's passage on April 27, 2007, of Resolution 1753, which lifted a export ban on Liberian diamonds that it had imposed in December 2003 (Resolution 1521).<sup>80</sup> In passing Resolution 1753, the Council also announced its intention to review Liberia's admission to and general compliance with the Kimberley Process.<sup>81</sup>

In order to meet Kimberley Process certification criteria, the Liberian government had suspended the issuance of diamond mining licenses, all of which expired at the end of December 2005, making diamond mining effectively illegal in Liberia pending its accession to the Kimberley Process. As part of its efforts to implement the Kimberley Process, the government now has a diamond office in Monrovia and several regional diamond certification offices.

Liberia's Kimberley Process-related capacity building and a technical training efforts have been substantially aided by the United States. In addition to constructing the Government Diamond Office and providing it with gemology equipment and office furnishings, U.S. assistance in this area has included the following:

- Training of Liberian diamond evaluators in South Africa (three staff) and Dubai (two staff);
- Training of Ministry of Lands, Mines, and Energy staff to manage ten regional offices and related material and salary assistance, including vehicles, to support the establishment and future functioning of these posts throughout Liberia;
- Salary support for five diamond evaluators;
- Provision of specialized technical training to multiple ministry staff in the areas of Stream Sediment Studies, database applications, and GIS and remote imagery;

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<sup>80</sup> The Kimberley Process decision followed a March 2007 Kimberley Process Review Mission to Liberia that had concluded that Liberia met the conditions for admission. European Community, "Kimberley Process: Liberia Enters the Diamond Trade," (press release IP/07/612) May 4, 2007.

<sup>81</sup> The diamond ban had been left in place when in June 2006 the U.N. lifted timber sanctions on Liberia (Resolution 1689), and had last been renewed in December 2006. In passing Resolution 1753 the Council also announced its intention to review Liberia's admission to and general compliance with the Kimberley Process. A diamond embargo was initially imposed on Liberia in 2001 after the Security Council found that the Taylor government was "actively supporting" the Revolutionary United Front (RUF), a rebel group then fighting the government of Liberia's neighbor, Sierra Leone, including by illicitly trading in Sierra Leonean diamonds. See U.N. Security Council, Resolution 1343, March 7, 2001. The diamond sanctions under Resolution 1343 were terminated by Security Council Resolution 1521 (December 22, 2003), which imposed a new ban on diamond exports from Liberia. Resolution 1521 asserted that there existed a "linkage between the illegal exploitation of natural resources such as diamonds and timber, illicit trade in such resources, and the proliferation and trafficking of illegal arms as a major source of fueling and exacerbating conflicts, in West Africa, [and] particularly in Liberia."

- Production of a comprehensive geological assessment of Liberia's diamond production capacity, and digitization and reproduction of geological maps of Liberia;
- Provision of software and hardware components of a database for tracking diamond production and Kimberley Process admission and program compliance; and
- Production of 1,000 Kimberley Process rough diamond export certificates.<sup>82</sup>

Much of this assistance was provided under a \$1.44 million FY2005 ESF funding tranche under a U.S. Geological Survey-implemented contract with the Constella Futures International, a social development technical assistance firm. The U.S. Treasury's Office of Foreign Assets Control is reportedly currently preparing updated regulations to allow the import of Liberian rough diamonds into the United States.

Diamond deposits in Liberia are mostly alluvial, that is, found on or near the surface after having been deposited by water flows, often far from their point of origin. In January 2006, however, the firm Diamond Fields International (DFI) Ltd. announced that it had discovered strong indications of a kimberlite, or pipes of igneous, volcanic, often diamond-bearing material, in Grand Cape County.<sup>83</sup> If the kimberlite is verified as being richly diamondiferous, Liberia's future production of diamonds could rise substantially, potentially to the level of neighboring Sierra Leone.

## GEMAP

The Sirleaf Administration strongly supports the Governance and Economic Management Assistance Program (GEMAP), an agreement signed in September 2005 by the NTGL and the International Contact Group on Liberia (ICGL), an international policy coordinating group of donor and regional governments and multinational institutions.<sup>84</sup> GEMAP provides for contract-based management of the revenue and expenditure flows of key public sector entities, notably the main port, airport, and fuel refining firm, among others, in order to strictly enforce central government controls over state revenues and to improve public fiscal capacities.<sup>85</sup> It also supports diverse economic governance and judicial capacity-building measures aimed at institutionalizing transparent state management capacity-building goals and reforms. Elements of GEMAP that call for an external management and financial

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<sup>82</sup> State Department/Monrovia Embassy, "U.S. Contributions to the Kimberley Process Certification Program," Embassy News, [n.d.].

<sup>83</sup> See DFI, "Diamond Fields Announces the Discovery of Kimberlite in Liberia and Progress with Gold Exploration," January 9, 2006. Several other firms are involved in diamond explorations in various counties of Liberia. DFI is also involved in gold exploration in Liberia.

<sup>84</sup> Online; see [<http://siteresources.worldbank.org/LIBERIAEXTN/Resources/GEMAP.pdf>].

<sup>85</sup> Sirleaf administration officials have reported that 2006 first quarter revenues collections are reportedly 34% higher than those for the same period in 2005 (*The Analyst* (Monrovia), "Liberia: Govt. is 34 Percent Richer!," June 8, 2006).

monitoring role were initially opposed by some in Liberia as an intrusion on national sovereignty, but donor governments, including the United States, pushed for strict conditionality for future assistance to Liberia. International financial and monitoring experts have reportedly assumed duties at the Central Bank of Liberia, where the international GEMAP expert has co-signing authority, and on the Cash Management Committee, a Ministry of Finance-led body that manages all government funds. Similar personnel are expected to fill positions in key ministries, notably the Ministry of Lands, Mines, and Energy and the Bureau of Budget, and revenue-earning sources, including ports, airports, customs offices, and the forestry sector.<sup>86</sup> GEMAP is overseen by an Economic Governance Steering Committee (EGSC) chaired by President Sirleaf, assisted by representatives of the United States, the European Union, the African Union, ECOWAS, and the International Monetary, World Bank, and U.N. agencies.

In October 2006, the Liberian government released a first year status report on GEMAP, and its Economic Governance Steering Committee (EGSC) has issued regular bulletins.<sup>87</sup>

## Legislative Branch

As discussed elsewhere in this report,<sup>88</sup> Liberia's current Congress could potentially play a more prominent role in governance than have its predecessors, in part because President Sirleaf's party does not enjoy a majority in either chamber of the legislature. Many Members are enthusiastic about their representative role and are determined to assertively exercise the constitutional powers and responsibilities of the legislature.<sup>89</sup> A range of challenges may, however, impede the realization of such goals. A key impediment is the relative inexperience of many of Liberia's legislators. Although a number of Members are professionals with varying private or public sector experience and a few served previously in the legislature as Members or staff, the vast majority have never previously held elected office and have no lawmaking or policy-making experience. In meetings attended by the author in July 2006, many Members expressed a need for instruction or information regarding the basic functions of being a legislator, the workings of the committee system, and the legislature's oversight, appropriations, authorizing, and constituent relations roles.

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<sup>86</sup> See IRIN, "Liberia: Foreign Nationals Step into Government Positions to Combat Graft," March 3, 2006; IRIN, "Liberia: Foreign Corruption Spotters Now in Place," May 24, 2006; and S/2006/159, *op. cit.*, among others.

<sup>87</sup> The report, bulletins, and other documents are online at [<http://www.gemapliberia.org/>].

<sup>88</sup> See sections on "New Government: Prospects" and "Governance: Background."

<sup>89</sup> The following account draws from the author's observations; John Johnson and Robert Nakamura, Liberia Legislative Needs Assessment, Univ. at Albany, State Univ. of New York for U.N. Development Program-Liberia, February 2006; parliamentary information by European Commission/Konrad Adenauer Foundation, SUNY; and news accounts. In July 2006, the author participated in a U.S. government mission to assess the needs and status of the Liberian legislature; the assessment team met with numerous Members of the Liberian legislature.

In many cases, Members are unable to turn to their personal staffs to provide expertise on legislative functions because, as is common across the public sector in Liberia, many staff lack appropriate training or job-specific skills. In many instances, the professional work of the legislature is carried out by university students, reportedly because pay levels are viewed as too low to attract trained, professional staff. In other cases, staff reportedly lack appropriate skills because they were hired “based solely on contacts and family relationships,” with little regard to competence or training, “rendering [many offices...]dysfunctional.”<sup>90</sup>

There is also a paucity of institutional resources available to Members. Committee staff are virtually nonexistent, and the legislature as a whole lacks many of the assets necessary to independently carry out its principal roles. The two chambers largely lack bill drafting expertise, and most bills are drafted by the executive branch or by outside organizations. Parliamentary record keeping capacity is also limited; legislative debates and votes are recorded by hand, in part due to a lack of audio or stenographic recording equipment. Legislative debates and decisions, therefore, are reportedly often documented incompletely and sometimes erroneously.

The manner in which legislative resources are allocated also appears to curtail the institution’s potential effectiveness. In comparison to many countries, the size of Liberian Members’ office staffs is large, and a high proportion of Members’ staffs perform non-legislative services, such as food preparation, gardening, and driving. Similarly, despite a general lack of resources, the two chambers of the legislature maintain duplicate services; each, for instance, has its own research department. These institutional challenges are compounded by a dearth of office space and equipment. The legislature’s Capitol building, which was looted and suffered decay due to neglect during the civil war, lacks most basic functional infrastructure elements, such as water and electricity, though it is currently undergoing an upgrade (see below).

Some Liberians, including some legislators, as well as outside observers are also concerned that legislators’ lack of knowledge regarding their normative and constitutional roles as representatives of the public may cause some to seek use their offices for purposes of private gain, rather than to serve the public. Such concerns were highlighted in October 2006 when, just prior to the slated start of a U.S.-supported project to rehabilitate the Capitol building (see below), several Liberia news reports described acts of alleged “looting” of the Capitol building by some Members and staff of the legislature, who were reported to have removed and appropriated government property for personal use from the Capitol.<sup>91</sup> Similar concerns reportedly arose in relation to legislative negotiations relating to the recently enacted forestry law reforms. According to informed observers, during talks prior to

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<sup>90</sup> Konrad Adenauer Foundation, *Background information on the National Legislature Senior Staff Workshop*, March 13, 2006.

<sup>91</sup> Although some legislators later explained that they had removed personal property prior to the rehabilitation project, press reports suggested that what was removed in many cases included physical fixtures, such as doors and windows, and publicly funded office equipment and furnishings.

the passage of the forestry reforms, some legislators made remarks suggesting that they viewed a successful outcome of the reform process as being one in which they personally — as persons representing the public, in contrast to the general Liberian public itself — would directly benefit from processes at issue, such as the allocation of forestry concessions or revenues.

A certain amount of on-going public skepticism about government transparency in general may be attributable to public perceptions formed of the NTGL and of the transitional legislature, the decision-making conduct of which was often opaque and sometimes allegedly corrupt (see “Transitional Governance,” above), and to widespread reports of corruption under previous Liberian governments. Such views may be spurred by on-going investigations of alleged corruption under the NTGL.<sup>92</sup>

**Ouster of House Speaker Snowe.** In early 2007, House activities were disrupted by the emergence of opposition to the leadership of House Speaker Edwin Snowe. In mid-January 2007, a majority of House members voted to remove Snowe as Speaker during a meeting that was not held at the Liberian capitol building. The vote to remove him stemmed from reports that Snowe had held meetings with Taiwanese officials in 2005 allegedly aimed at discussing the re-establishment of ties with Taiwan, and Snowe’s subsequent introduction of a House resolution relating to mainland China.<sup>93</sup> Some parliamentarians asserted that Snowe’s actions might threaten Liberia’s relationship with China and that they intruded on the executive branch’s prerogative to set foreign diplomacy. Other allegations related to Snowe’s alleged violation of House travel rules by including a Lebanese businessman in a House delegation to Doha, Qatar. Those seeking his ouster claimed that Snowe was unfit to serve as speaker.

Snowe fought his ouster attempt by arguing that the vote against him was illegitimate because it did not take place in the Capitol, which is in disrepair and is undergoing renovations. Proponents of his ouster cited that fact as the reason that the vote was held off Capitol grounds. Snowe also accused his opponents of receiving bribes from the executive branch in exchange for seeking his ouster. Such charges were denied by legislators and the presidency. Snowe subsequently appealed to the Supreme Court, asserting that the vote to remove him was unconstitutional. The Court ruled in his favor, but some of his opponents argued that the Court’s interpretation was erroneous and should be ignored, while others argued that the

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<sup>92</sup> An audit of the NTGL performed by ECOWAS reportedly “points to a lot of criminal activities, criminal charges, malpractices, inefficiencies, [and] corruption of former officials in the Gyude Bryant administration, including chairman Bryant himself,” according to the current information minister, Lawrence Bropleh. Bropleh’s comments came in the wake of the detainment of two former NTGL officials, finance minister Lusinee Kamara and his deputy, Tugbeh Doe, in a \$9 million public funds corruption probe. See James Butty, “Liberia - Government Says Former Leader Could Face Charges,” VOA News, December 5, 2006; *The Analyst*, “Police Clutches Lusinee Kamara, Tugbeh Doe,” December 5, 2006; and Jonathan Paye-Layleh, “Liberia Charges Former Finance Minister with Stealing from Government,” Associated Press, December 4, 2006, among others.

<sup>93</sup> Liberia’s diplomatic relations with Taiwan during the Taylor presidency were terminated after the NTGL took power and recognized mainland China. The Sirleaf administration has continued to maintain ties with China.



court's ruling should be followed and that Snowe should be removed under alternate legal procedures. The ruling, however, spurred the legislature to split into two rival bodies that each claimed legitimate authority. This rift continued until mid-February, when Snowe resigned in the face of the boycott by many members of House sessions held under his leadership.<sup>94</sup>

A new speaker, Alex J. Tyler of the Liberia Action Party, was elected House speaker in early April 2007. Tyler pledged to pursue a collaborative manner of leadership, including in House relations with the executive branch, with which Snowe reportedly had a confrontational relationship. He also stated that he would take up pending legislative business in order to reverse the House's reputation for relative inaction.

**U.S. Legislative Assistance.** To help overcome the challenges faced by the legislature, the United States is supporting a \$1.8 million USAID project to rehabilitate the Capitol and is providing legislative capacity-building assistance under a USAID-backed contracting coordination mechanism known as the Consortium for Elections Political Process Strengthening (CEPPS). Under CEPPS, the U.S. democracy-building organizations the National Democratic Institute (NDI) and the International Republican Institute (IRI) are undertaking assistance programs designed, in part, to help develop the capacity of the Liberian legislature. A third CEPPS participant, IFES (the elections technical assistance and democracy-building organization formerly known as the International Foundation for Election Systems) also pursues limited programs related to similar goals.

The NDI program centers on helping to bolster Members' constituent relations skills, strengthening the ability of committees to conduct open public meetings, improving legislative staff legislative drafting and reporting skills, coaching legislators, and rebuilding the legislature's research service. NDI has also been conducting assessments of constituent needs and views and the views of legislators, in part through questionnaires and in part through town hall-style meetings. IRI's program helps political parties to build their organizational and financial mobilization capacities, in part through the provision of a resource center that gives parties access to computers, photocopiers, reference materials, and other resources, and through political party trainings. It helps parties to develop party policy positions and messages and the ability to project such messages through communication and outreach strategies. It also fosters an effort aimed at promoting inter-party dialogue, known as the Inter-Party Consultative Committee, and sponsors civic advocacy skills-building workshops. Other IRI activities include focus group research and exit polling. IFES is pursuing a variety of civic education programs that, in part, bolster constituent interaction with legislators. Germany's Konrad Adenauer Foundation is also implementing a European Union-funded legislative strengthening program. The UNDP is tasked with coordinating the delivery of such donor assistance.

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<sup>94</sup> Snowe is also the subject of a probe into allegations that he misappropriated about \$1 million from the Liberia Petroleum Refinery Company (LPRC) during his tenure as LPRC managing director during the tenure of the transitional government.

**Congressional Role.** In addition to appropriating funds to assist Liberia, Congress is taking a direct role in supporting governance capacity-building in Liberia. In July 2006, following a visit by a congressional delegation and a parliamentary assessment by a House Democracy Assistance Commission (HDAC) staff team, Liberia was selected to participate in a multi-year HDAC partnership. HDAC partnerships provide “technical assistance to the parliaments of newly democratic countries on a peer-to-peer basis, with Members of Congress working with Members of Parliament and congressional staff working with their parliamentary counterparts.”<sup>95</sup>

## Taylor War Crimes Case

### Trial

Former Liberian President Charles Taylor faces an amended, 11-count war crimes indictment first brought against him in 2003 by the Prosecutor of the Sierra Leone-based Special Court for Sierra Leone (SCSL).<sup>96</sup> The indictment against Taylor alleges that he violated international and Sierra Leonean law by actively aiding and abetting activities in furtherance of the armed insurgency against the government of Sierra Leone by the Revolutionary United Front (RUF), a now defunct Sierra Leonean rebel group. Taylor's trial, which had previously been slated to begin in April 2007, opened in early June 2007, but proceedings on the substance of the charges were delayed after Taylor boycotted his trial and later fired his initial defense team. A new defense team was hired. It successfully requested increased funding for his legal defense and in mid-August 2007 won a postponement of Taylor's trial on the basis that the team must be allowed adequate time to review extensive evidence that has been submitted in the case. The trial is now set to begin in January 2008.

Taylor was taken into the custody of the SCSL following his arrest on March 29, 2006, at a border checkpoint in the northern Nigerian state of Borno, as he tried to cross by road into Cameroon. He was apprehended by Nigerian security forces after fleeing the southern Nigerian city of Calabar, where he had lived with an entourage of aides and family members beginning in August 2003, when he was given asylum by Nigeria's government. He reportedly fled on March 27, two days after Nigeria's government announced that Liberia was “free” to take Taylor “into its custody,” while not specifying how that end could or would be achieved, or moving to arrest him. The somewhat enigmatic Nigerian statement came in response to an early March request by President Sirleaf that Nigeria to transfer Taylor to the custody of the SCSL, in order that he face the indictment against him, and followed Nigeria's

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<sup>95</sup> HDAC fact sheet, November 2006.

<sup>96</sup> The original indictment, dated March 3, 2003, approved on March 7, 2003, and unsealed on June 4, 2003 during Liberian peace talks in Ghana, charged Taylor with 17 counts of war crimes, crimes against humanity, and other serious violations of international humanitarian law. The indictment was amended on March 16, 2006, to 11 counts to “ensure a more focused trial,” according to a statement by the prosecutor. The SCSL Prosecutor's indictment is online at [<http://www.sc-sl.org/Taylor.html>].

previous opposition to aiding in Taylor's extradition.<sup>97</sup> After his capture, Taylor was extradited to Liberia in a Nigerian presidential jet. He was then immediately flown by UNMIL helicopter to the premises of the SCSL in Freetown, the capital of Sierra Leone, where he was taken into SCSL custody. On April 3 he was arraigned and pled not guilty, though he qualified his plea by questioning the SCSL's "jurisdiction over me, as the 21<sup>st</sup> President of the Republic of Liberia."<sup>98</sup>

**Sirleaf Administration Role.** Taylor's SCSL case and extradition have been delicate matters for President Sirleaf, because her government was not party to his asylum deal or indictment, but was charged with resolving issues arising from them. Prior to his transfer to the court, some observers had raised concerns over the hypothetical possibility that the stability of Sirleaf's government might be undermined if Sirleaf were to alienate or anger supporters of former President Taylor, particularly given that he won the presidency with 75.3% of the vote in 1997, and because he is a former warlord whose factional fighters had a reputation for brutality. Prior to her mid-March 2006 visit to the United States, Sirleaf had stated that her administration would eventually seek the repatriation of former president Charles Taylor from Nigeria or his transfer to the SCSL under certain conditions. These included consultations with and the assent of "regional leaders who managed the process of leading to his exile;" accommodation for certain unspecified timing considerations; and a transfer process that would "not undermine the security" of Liberia. She also reportedly said that she did not view it as an immediate priority. She specifically stated that any solution would require the concurrence of the European Union, the African Union, and West African leaders, with whom she met during a regional pre-inauguration consulting tour, in part intended to address "certain national and regional sensitivities." Notwithstanding these actions, in March 2006 her government formally requested Taylor's extradition from Nigeria, prompting the sequence of events leading to Taylor's capture.

In mid-July 2007, the Sirleaf Administration submitted a bill to the national legislature that would allow it to seek international cooperation in "tracking, freezing

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<sup>97</sup> In early March 2006, published news reports alleged that the Liberian government had made a request to Nigeria for Taylor's extradition, but neither government would initially publicly confirm that such a request had been made. However, on March 16, 2006, Representative Jim Kolbe stated on the House floor that President Sirleaf had verifiably informed Representative Nita Lowey and himself that she had requested that Nigeria extradite Taylor (see *Congressional Record* (House), pp. H1097-H1098, March 16, 2006). Nigeria later acknowledged that the request had been made. See Nico Colombant, "Nigeria Confirms Liberia Request for Taylor's Extradition," VOA, March 17, 2006, *inter alia*.

<sup>98</sup> The arraignment hearing judge, however, reminded Taylor that the SCSL Appeals Chamber had in May 2004 decided that heads of state could be prosecuted before the SCSL. It had ruled in response to a motion by an attorney, acting on behalf of then-president Taylor, who requested that the court quash Taylor's indictment on the grounds that the court lacked jurisdiction to indict Taylor because he was a head of state at the time he was indicted. At Taylor's April arraignment, a court-appointed defense attorney for Taylor also requested that he be tried in Sierra Leone, to facilitate the logistics of bringing defense witnesses resident in the sub-region before the SCSL and to prevent their possible denial of visas to travel to a venue held in Europe. See IRIN, "Transcript of Charles Taylor's Plea on First Court Appearance," April 4, 2006.

and confiscating the funds, properties and assets” misappropriated and/or controlled by Taylor and certain of his relatives and associates.<sup>99</sup> The bill is reportedly controversial because Taylor has not been convicted of any crimes in Liberia or by the SCSL.<sup>100</sup>

**Trial Venue.** On June 20, 2006, Taylor was transferred from the headquarters of the SCSL, in Freetown, Sierra Leone, to the prison premises of the International Criminal Court (ICC) in the Hague, the Netherlands, where he is slated to face trial by the SCSL. The ICC, with the agreement of the Dutch government, agreed to allow the SCSL to use ICC facilities in order to conduct the Taylor trial.<sup>101</sup> Dutch authorities agreed to allow Taylor to be tried on Dutch soil after Britain offered to imprison Taylor if he is convicted.<sup>102</sup> The SCSL will retain legal and institutional control over the Taylor case but will use the physical premises of the ICC in the Hague, the Netherlands, to conduct his trial and related hearings. Taylor’s transfer to the Netherlands was made for reasons of security and to prevent potential instability in Sierra Leone and Liberia, where his trial could prove politically

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<sup>99</sup> The assets of such persons is subject to a U.N. assets freeze imposed in 2004 under U.N. Security Council Resolution 1532. For information and documents pertaining to the assets seizure and related matters and a list of affected individuals, see the website of the U.N. Liberia sanctions committee: [<http://www.un.org/sc/committees/1521/index.shtml>]

<sup>100</sup> BBC News, "Liberia 'to Seize Taylor Assets'," July 2007, *inter alia*. See also the May 2007 report by the Security Council Panel of Experts on Liberia (S/2007/340, published June 7, 2007) and *Following Taylor’s Money, op cit.*

<sup>101</sup> On the day that Taylor was taken into SCSL custody, the SCSL made a request to the Dutch government and to the ICC asking that the SCSL be permitted to use the Hague premises of the ICC while hearing Taylor’s trial. See SCSL Press and Public Affairs Office, “Special Court President Requests Charles Taylor be Tried in The Hague,” March 30, 2006. The U.N. Security Council subsequently endorsed an agreement later reached between the Dutch government and the SCSL, after a memorandum of understanding was agreed between the SCSL and the ICC.

<sup>102</sup> The Netherlands agreed to accept Taylor’s transfer onto its territory on the condition that, prior to the transfer, provisions be put in place to ensure that Taylor depart Dutch soil following his trial. It is not clear where Taylor might go if he is acquitted, but Dutch authorities will not, at present, permit him to remain in the Netherlands after he is tried. Britain’s offer to imprison Taylor is subject to approval by its parliament, but prior to its proffer, the UK government reportedly consulted the political opposition, which agreed to support the proposal. Sweden’s parliament had earlier passed legislation, “specifically because of the Charles Taylor case,” that amended Swedish laws to enable it to imprison an SCSL convict. The Swedish government, however, had not formally offered to imprison Taylor if he were convicted, though it had reportedly considered doing so. See Netherlands Min. of For. Affairs, “War Crimes Suspect Charles Taylor Arrives in the Netherlands,” June 20, 2006; UK Foreign Office, “Beckett: Charles Taylor Could Serve Prison Sentence in the UK,” June 15, 2006; David Clarke, “Britain to Jail Liberia’s Taylor If Convicted, Reuters, June 15, 2006; IRIN, “Sierra Leone: Taylor Prison Location Holding Up Trial,” May 4, 2006. IRIN, “Liberia-Sierra Leone: Taylor Trial Could Go to Europe,” March 30, 2006; BBC, “Sweden Considers Taylor Detention,” April 6, 2006; Michelle Faul, “International Community Determined to Move Former Liberian President’s Trial to The Hague,” Associated Press, April 4, 2006; and Karl Ritter, “Sweden, Austria Considering Request to Imprison Charles Taylor after Trial,” Associated Press, April 5, 2006, among others.

controversial and emotive.<sup>103</sup> The decision to transfer him to the Hague remains a topic of debate.

The decision to transfer the trial to a venue outside of Sierra Leone or the continent of Africa stimulated debate over the over the implications for justice of the transfer.<sup>104</sup> Some have contended that Taylor's trial should have been conducted in the country where his alleged crimes took place. Such an outcome, in this view, would demonstrate — both to victims and perpetrators of international human rights and laws of war violations in Sierra Leone and the surrounding sub-region — that accountability for such actions can be achieved in the same social and geographic contexts in which they were committed. Similarly, some have argued that the didactic and symbolic value for the region of a local public trial would be greater than one conducted abroad, in part because it would allow more direct and proximate access to the court proceedings by the local population. Some observers have worried that because many Sierra Leonean journalists lack the ability to cover the trial directly due to cost or other factors, Sierra Leoneans would be deprived of a key channel of information and analysis accessible to them in the local patois (*Krio*, an English-based Creole) and responsive to local concerns. Sierra Leoneans lack widespread access to television and print media, particularly western media sources that are more likely to have the resources to cover a trial in the Hague. Other factors cited in favor of holding a trial locally have included concerns about the logistical, legal, financial, and bureaucratic barriers that an overseas venue might pose for witness participation in the trial, as well as for its general organization and staging.<sup>105</sup> Such concerns continue, and may potentially imperil the reputation of the SCSL as a novel, cost-effective international judicial model.<sup>106</sup>

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<sup>103</sup> Once the decision to transfer Taylor out of Sierra Leone had been made, the SCSL Prosecutor stated that the transfer of the Taylor trial to the Hague was “the only option” because the courts of the International Criminal Tribunal for the Former Yugoslavia or the International Criminal Tribunal for Rwanda (ICTR) — two institutional venues to which the transfer of the Taylor case was reportedly considered — are “too full.” The ICTR is based in Arusha, Tanzania. The Prosecutor also stated that President Sirleaf had requested that Taylor's case be heard outside of Sierra Leone and the local Mano River sub-region. See SCSL, Office of the Prosecutor, “The Prosecutor's Meeting with Civil Society of Sierra Leone: The Prosecutor's Statement,” April 12, 2006, as well as U.N. Security Council resolution 1688 (S/RES/1688, June 16, 2006).

<sup>104</sup> Human Rights Watch (HRW) has reviewed many of the arguments for and against transferring Taylor's case to the Hague and has made a number of related recommendations. See HRW, *Trying Charles Taylor in The Hague: Making Justice Accessible to Those Most Affected*, HRW Briefing No. 2, June 2006, as well as Howard Lesser, “In Sierra Leone, Mixed Reaction to Taylor's Trial Transfer,” VOA, June 21, 2006, among other press analyses of the transfer.

<sup>105</sup> The potentially higher costs of conducting a trial in the Netherlands may pose a particularly significant funding challenge to the SCSL. See IRIN, “Sierra Leone: New War Crimes Court President Pleads for Extra Funds,” May 25, 2006.

<sup>106</sup> Marlise Simons, “Liberian Ex-Leader's War Crimes Trial Is Stalled,” *New York Times*, August 25, 2007.

Others have argued that any factor that might spark political unrest or conflict — such as Taylor’s trial — should be avoided if at all possible, given the relatively fragile and recent transition to peace in Liberia and Sierra Leone, both of which have extended histories of political instability. In this view, moving the trial to the Hague has decreased the chance that political controversy prompted by Taylor’s trial may lead to local unrest, and has undercut his ability to directly appeal to or rally potentially armed followers, should he attempt to use the trial as a political platform. Some have also maintained that holding the trial in a distant location would help Sierra Leoneans and Liberians overcome the legacies of war. A local trial, according to this point of view, might present too immediate and visceral a reminder of the wartime suffering that many in these two countries have only recently overcome. Sierra Leoneans, this line of reasoning emphasized, are weary of war and its effects and want to “move past” their experiences of wartime brutality and focus on peace and socio-economic reconstruction.<sup>107</sup>

## **SCSL: U.S. Views and Assistance**

The United States strongly supports the SCSL’s mandate to try those responsible for war crimes in Sierra Leone. The court is also seen by some as providing an alternative institutional model to the International Criminal Court and is viewed as a smaller, leaner organization compared to the more administratively extensive and costly international criminal tribunals for the former Yugoslavia and Rwanda, though questions have recently been raised about its cost-effectiveness.<sup>108</sup> Congress has appropriated \$48 million in funding for the SCSL to date.

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<sup>107</sup> Such sentiments might undercut calls made by some for a special court to try crimes committed during Liberia’s civil wars. See Catherine Maddux, “Hague Trial Could Mean Justice for More West African War Victims,” VOA News, April 10, 2006 and IRIN, “Liberia: Youths Petition for War Crimes Court,” April 11, 2006. Some observers have suggested that Sirleaf does not, in general, support prosecuting those who committed war time atrocities during the 1989-2003 civil wars. See Jeremy I. Levitt and J. Peter Pham, “Liberia Must Confront its Past If It Wants a Brighter Future,” *The Baltimore Sun*, December 8, 2005, which quotes Sirleaf as stating consistently that she does “not support any war crime tribunal in Liberia,” because such tribunals might reignite old antagonisms and conflict.

<sup>108</sup> Simons, “Liberian Ex-Leader’s War Crimes Trial is Stalled,” *op cit*.

**Table 2. U.S. Assistance for the Special Court for Sierra Leone**  
(\$ millions)

Account	Amount	Fiscal Years by Appropriation and Obligation
DFA	3	“No-year” funds de-obligated from prior year funds (Funds provided in FY2001)
ESF	2	FY2000 (Provided in FY2001)
ESF	5	FY2002 (Provided in FY2002)
ESF	10	FY2003 (\$5 million provided in FY2003 and \$5 million in FY2004)
K Fund	2	FY2005 (Provided in FY2005)
ESF	13 <sup>a</sup>	FY2006 (\$13 provided in FY2006)
ESF	13 <sup>b</sup>	FY2007 funding
<b>Total through FY2007</b>	<b>48</b>	

**Source:** State Department. K Fund: Emergencies in the Diplomatic and Consular Service; DFA: Development Fund for Africa; ESF: Economic Support Fund.

- a. P.L. 109-102, which contained appropriations for FY2006 foreign operations, stated that \$13 million “should” be provided to the SCSL. According to the State Department, \$13 million was in fact provided to the SCSL in FY2006.
- b. The \$13 million figure is composed of \$3 million in FY2007 supplemental ESF account funds provided under P.L. 110-28 (formerly H.R. 2206/Obey) and \$10 million in ESF appropriations provided under P.L. 110-5 (formerly H.J.Res. 20/Obey). The P.L. 110-5 portion is based on allocations at the sub-account level agreed following consultations between the Administration and the Congressional budget committees that ended in mid-August 2007. The \$10 million ESF appropriation provided under P.L. 110-5 is drawn from the FY2007 ESF allocation for Sierra Leone, according to a State Department official consulted by CRS. For further information, see CRS Report RL33900, FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes, by Stephen Daggett, Amy Belasco, Connie Veillette, Curt Tarnoff, Pat Towell, Rhoda Margesson, Susan B. Epstein, and Bart Elias.

There has been occasional friction between the Administration and the SCSL with regard to the effect that certain of the court’s actions have had on political events and U.S. policy goals in West Africa. Some State Department officials in private, for instance, questioned the political prudence of certain actions taken by former SCSL Prosecutor, David Crane, such as his unsealing of the indictment against Taylor at a critical juncture during Liberian peace talks held in Ghana in June 2003. Some also questioned the accuracy of his assertions that Taylor abetted Al Qaeda operatives’ purchases of Sierra Leonean diamonds; that Taylor sponsored the January 2005 attempted assassination of President Lasana Conté of Guinea; and that Taylor had traveled outside of Nigeria while in exile. Such reservations may, in part, explain the SCSL’s failure to obtain authority under Chapter 7 of the U.N. Charter, which would oblige U.N. member states to cooperate with the SCSL. However, on November 11, 2005, the U.N. Security Council passed Resolution 1638, which authorized UNMIL to arrest Taylor were he to return to Liberia, as it did when he was extradited to Liberia on March 29, 2006.

Despite continuing U.S. support for the SCSL, some critics faulted the Administration for not pushing harder to obtain the extradition of Taylor from Nigeria after the latter provided him with asylum in August 2003. Following Nigeria’s action, Administration officials periodically called for Taylor to “face

justice,” usually in response to questions from the press. Administration spokesmen maintained that the Nigerian and U.S. governments were “engaged” in talks about Taylor and his activities and about how “to address the matter,” but generally offered few specific or concrete suggestions on how Taylor might be “held to account for the crimes he has committed.”<sup>109</sup> In 2006, however, the United States began to pursue this goal more urgently, explicitly, and directly. During a telephone call to congratulate Sirleaf on her electoral victory, President Bush reportedly expressed support for bringing Taylor to justice so that “he can no longer threaten the people of Liberia and the region of West Africa,” though he did not specify a venue where such a goal could be achieved.<sup>110</sup> In two separate hearings held in February 2006, State Department Assistant Secretary for Africa Jendayi Frazer and Secretary of State Condoleezza Rice, respectively, explicitly called for Taylor’s immediate extradition, which subsequently occurred at the end of March 2007.

## Case of “Chuckie” Taylor

In mid-September 2006, President Taylor’s Boston-born son, Roy M. Belfast Jr. (AKA Charles McArthur Emmanuel and Charles “Chuckie” Taylor, Jr.) pled guilty to a federal fraud charge relating to the submission of false data regarding his father’s identity on a U.S. passport application. He was jailed after being arrested at Miami International Airport by U.S. customs agents while attempting to enter the United States from Trinidad on March 30, 2006, one day after his father was apprehended in Nigeria.

Belfast, who reportedly has an extensive U.S. juvenile criminal record, was sentenced on December 7, 2006, to 11 months in prison for the fraud. Hours after his sentencing, he pled not guilty to an indictment brought against him by a U.S. federal Grand Jury. It charged Belfast with torture, conspiracy to torture, and of using a firearm during an act of violent crime while he was serving as the head of the Liberian Anti-Terrorist Unit (ATU) during his father’s tenure as president. The ATU was a state security unit under former President Taylor staffed primarily by members of Taylor’s former civil war faction. The indictment reportedly comprises the first-ever charge brought under a statute that allows U.S. courts to hear criminal cases

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<sup>109</sup> See, e.g., State Department, Daily Press Briefing, May 5, 2005 and White House Press Briefing, May 5, 2005. In 2005, at least one State Department official did publicly call on Nigeria to hand Taylor over to the SCSL directly (Daniel Balint-Kurti, “Wanted for War Crimes, Liberia’s Ex-president Hunkers down in Nigerian Exile,” Associated Press, May 31, 2005). Some had suggested that the United States should honor Nigeria’s conditions for accepting Taylor after it agreed to accept Taylor following President Bush’s publicly stated contention in 2003 that “Taylor must go” (White House, Press Conference of the President, “President Bush Discusses Top Priorities for the U.S.,” July 30, 2003), and defer to Nigeria’s views on the matter, given its central role as a regional peacekeeping and political mediating power. Howard F. Jeter, former U.S. ambassador to Nigeria, stated that “President Obasanjo acted with our full knowledge and concurrence” in testimony before the House Committee on International Relations at a hearing entitled *Confronting War Crimes in Africa* on June 9, 2004.

<sup>110</sup> State Department, “Bush Congratulates Liberian President-Elect,” *Washington File*, November 30, 2005.



involving acts of torture committed abroad by U.S. nationals or any person present in the United States. Although Belfast was indicted for allegedly torturing one person, after his indictment he was publicly accused of having committed multiple other acts of torture or illegal beatings in his capacity as a security official by self-identified victims of such acts.<sup>111</sup> The torture charges were brought against Belfast after the advocacy group Human Rights Watch (HRW) urged that the United States investigate him “for torture and war crimes.” HRW also submitted a dossier to the Justice Department in support of its allegations against Belfast.<sup>112</sup> In early July 2007, a U.S. Southern District of Florida judge denied a motion by Belfast to dismiss the case against him. A trial in the case, to be preceded by a status conference in mid-September 2007, is scheduled for January 2008.

Like former President Taylor and many of his associates, Belfast is subject to a U.S. asset freeze under Executive Order 13348 (July 22, 2004) and to a United Nations travel ban. These measures were originally imposed to halt support by the Taylor government for the Revolutionary Front of Sierra Leone (see “Taylor Case,” above). Some press reports suggest Belfast may have abetted such activities.<sup>113</sup>

## U.S. and Congressional Focus

The United States has voiced support for President Sirleaf’s government since she took office. U.S. First Lady Laura Bush and Secretary of State Rice, among other prominent U.S. guests, attended President Sirleaf’s inauguration. Their presence, Sirleaf stated in her inaugural speech, “manifests a renewal and strengthening of the long-standing historic special relations which bind our two countries and peoples.” She also stated that it “reflects a new partnership with the United States based on shared values” and that Liberians are “confident that we can continue to count on the assistance of the United States [...] in the urgent task of rebuilding of our nation.”

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<sup>111</sup> See Immigration and Customs Enforcement (ICE), “Roy Belfast Jr. AKA Chuckie Taylor Indicted on Torture Charges/First-Ever Torture Charges,” December 6, 2006; and R. Jeffrey Smith, “Anti-Torture Statute Used to Indict Son of Liberia’s Ex-Leader,” *Washington Post*, December 7, 2006; and IRIN, “Liberia: Speaking Out About Taylor’s Son,” December 13, 2006, among others.

<sup>112</sup> Curt Anderson, “Son of Ex-Liberian President Admits Passport Fraud,” Associated Press, September 15, 2006; verbal communication from U.S. Attorney’s office, November 28, 2006 and Dept. of Justice press release, Sept 15, 2006; Curt Anderson, “Activists Want Charles Taylor’s Son Tried for War Crimes, Torture,” Associated Press, August 6, 2006; HRW, “U.S.: Investigate Taylor’s Son for Torture, War Crimes,” May 26, 2006; and James Rupert, “Diamond Hunters Fuel Africa’s Brutal Wars; In Sierra Leone, Mining Firms Trade Weapons and Money for Access to Gems,” *Washington Post*, October 16, 1999, among others.

<sup>113</sup> See U.S. Treasury, Office of Foreign Assets Control (OFAC), *Liberia Sanctions*, [<http://www.treas.gov/offices/enforcement/ofac/programs/liberia/liberia.shtml>] and U.N., *Security Council Committee Established Pursuant to Resolution 1521 (2003) Concerning Liberia*, [<http://www.un.org/Docs/sc/committees/Liberia3Template.htm>].

President Sirleaf has made several official visits to the United States, most recently in February 2007, when she attended a World Bank-organized Liberia Partners' Forum donor meeting in Washington D.C.<sup>114</sup> She made another such visit in March 2006, during which she addressed a joint session of Congress on March 15<sup>115</sup> and met with President Bush on March 21. She reportedly closely consulted with U.S. officials regarding her priorities for Liberia and the status of Charles Taylor. During a pre-inaugural December 2005 trip to the United States, Sirleaf also met with key U.S. and international financial institution officials.<sup>116</sup>

**110<sup>th</sup> Congress.** Congress has long monitored developments in Liberia and provided support for the country's development, notably during Liberia's on-going post-2003 post-war rebuilding process. The 110<sup>th</sup> Congress provided further appropriations for such purposes when it passed P.L. 110-5 (H.J.Res. 20/Revised Continuing Appropriations Resolution, 2007), which provided approximately \$120.81 funding for FY2007 foreign operations.<sup>117</sup> The Congress also provided \$48 million in supplementary funding for Liberia under P.L. 110-28 (H.R. 2206/U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007).<sup>118</sup>

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<sup>114</sup> Secretary Condoleezza Rice, Statement at Liberia Partners' Forum, Washington, DC, February 13, 2007.

<sup>115</sup> *Congressional Record* (House), pp. H996-H998, March 15, 2006.

<sup>116</sup> Reed Kramer, "Showered With Enthusiasm, Liberia's President-Elect Receives High-Level Reception in Washington," *AllAfrica.com*, December 11, 2005, *inter alia*. During a March 20 appearance with Sirleaf, World Bank President Paul Wolfowitz reportedly announced that the World Bank would provide \$25 million for a road-building fund for Liberia and stated that he was seeking debt forgiveness for Liberia by the World Bank, the IMF, and the African Development Bank. See VOA, "World Bank Commits \$25 Million to Liberian Infrastructure Fund," March 21, 2006.

<sup>117</sup> Funding breakouts are specified in Table 3, below. Specific allocations for some accounts were not finalized until August 2007, and funding for some accounts, such as food aid, is allocated from centralized accounts in response to changing needs, and is subject to change.

<sup>118</sup> The enrolled version (that passed by both the House and Senate prior to transmission to the President) of H.R. 1591 (Obey), U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007, would have appropriated \$48 million in additional supplemental FY2007 funding for Liberia, but the bill was vetoed by President Bush. The Senate version of H.R. 1591 was S. 965 (Byrd), U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007. H.R. 2206 (Obey), the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 was introduced after the veto of H.R. 1591, passed by both chambers, and enacted into law as P.L. 110-28. The FY2007 funding that it provides for Liberia is provided, by reference, under H.Rept. 110-107, the conference report that accompanied H.R. 1591. It provides \$40 million in regional Peacekeeping Operations (PKO) funding to support security sector reform in Liberia; \$3 million in Economic Support Fund (ESF) aid for the Special Court for Sierra Leone; \$5 million in regional Nonproliferation, Anti-Terrorism, Demining and Related (NADR) Programs for the protection of the Liberian President. It also authorizes the U.S. Treasury to use FY2007 appropriated Bilateral Economic Assistance to aid Liberia in retiring its international (continued...)

Other Liberia-related legislation introduced in the 110<sup>th</sup> Congress include the following.

- H.R. 1941 (Kennedy), Liberian Refugee Immigration Protection Act of 2007;
- H.R. 1591 (Obey; see previous footnote);
- H.R. 2206 (Obey; see previous footnote);
- H.R. 2764 (Lowey), Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008;
- H.R. 3123 (Kennedy), To extend the designation of Liberia under section 244 of the Immigration and Nationality Act so that Liberians can continue to be eligible for temporary protected status under that section;
- S. 396 (Dorgan), A bill to amend the Internal Revenue Code of 1986 to treat controlled foreign corporations in tax havens as domestic corporations;
- S. 554 (Dorgan), Act For Our Kids;
- S. 656 (Reed), Liberian Refugee Immigration Fairness Act of 2007;
- S. 965 (Byrd; see previous footnote);
- S. 1508 (Dorgan), Clean Energy Production Tax Incentives Act of 2007; and
- S. 1903 (Reed), A bill to extend the temporary protected status designation of Liberia under section 244 of the Immigration and Nationality Act so that Liberians can continue to be eligible for such status through September 30, 2008.

H.R. 1941 and S. 656 would provide permanent residency status to certain Liberian nationals who were granted or were eligible for immigration temporary protected status (TPS), while H.R. 3123 and S. 1903 would extend the status of persons eligible for TPS. On July 30, the House passed H.R. 3123, which was received in the Senate on August 3. The Liberia-related provisions of S. 396, S. 554, and S. 1508 would designate Liberia as a "tax-haven country," allowing the Internal Revenue Code to treat certain foreign corporations created or organized under Liberian law as U.S. domestic corporations for tax purposes.

H.R. 2764 contains several Liberia-specific funding and other measures, as provided for under H.Rept. 110-197, which accompanied the bill as reported out of committee prior to consideration by the House. H.Rept. 110-197 provides \$30 million in Development Assistance (DA) and \$43.545 million in Economic Support Fund (ESF) assistance or Liberia. This allocation differs from the Administration's FY2008 request for \$73.545 in ESF assistance; the Administration had requested no Development Assistance. The Committee also laid out several Liberia-related policy directives and recommendations as follow.

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<sup>118</sup> (...continued)

financial institution debt arrears. FY2007 appropriations are discussed in the notes to **Table 3**, below.

- Mandated that the State Department and USAID "develop policies and programs to promote and strengthen the rule of law in Liberia";
- Stated that it expects U.S. assistance programs "to advance human rights, including through the establishment of rights-based training for members of the judiciary, justice ministry, police, traditional leaders, and communities experiencing high levels of rights violations";
- Stated its concern regarding "the lack of functional legal structures and the inaccessibility of justice in Liberia" and urged USAID to work with the Liberia government "to establish a program to provide legal information services to indigent persons, and support national institutions and groups providing legal assistance"; and
- Encouraged USAID "to consider providing funding in FY2008 to rebuild JFK Women's Hospital in Liberia."

Two Liberia-related amendments to H.R. 2764 were passed by voice vote during floor consideration of the bill prior to House passage of the measure. These included the following.

- H.Amdt. 361 (Jackson-Lee), which provided for an additional \$5 million in Development Assistance funding for Liberia, bringing the DA total to \$35 million; and
- H.Amdt. 366 to H.R. 2764 (Gwen Moore), which removed Liberia from a list of countries for which special notification be sent to Congress prior to the obligation or expenditure of assistance for such designated countries is required.<sup>119</sup>

**Possible Issues for the 110th Congress.** Liberia-related activities by the 110<sup>th</sup> Congress have built on those pursued by the 109<sup>th</sup> Congress. Congress has continued to monitor and to provide funding for the activities of the SCSL and, in particular, the progress of the war crimes case against former President Taylor. Congress's focus on Liberia has also centered on aiding Liberia's efforts to consolidate its post-war governance and economic rebuilding processes. Issues that may also draw particular congressional attention include the following.

- Efforts to rehabilitate schools, clinics, roads and other public facilities;

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<sup>119</sup> Such requirements have existed for U.S. assistance to Liberia for over 15 years. Similar requirements have been imposed on aid to certain other countries, such as Serbia, Sudan, Zimbabwe, Pakistan, and Cambodia, though for sometimes differing periods. According to State Department and USAID officials, such requirements impose inter- and intra-agency reporting, program review, and legal assessment requirements that in some cases may substantially slow the disbursement of reconstruction assistance to Liberia. See also Robert L. Johnson, "Liberia's Moment of Opportunity," [Op-Ed], *Washington Post*, May 14, 2007.

- Progress under the GEMAP transparency initiative;
- Progress of U.S.-backed security sector restructuring, and possible expansions of related assistance, e.g., for the creation of a quick reaction gendarme unit; increased mobility capacity building for the police and military; and maritime waters and land border monitoring and interdiction capacity building.
- Consideration of potential continued support for UNMIL and the pace of its projected draw-down; and
- U.S. decision-making on debt relief for Liberia and the status of future Brooke Amendment restrictions on Liberia.<sup>120</sup>

**109<sup>th</sup> Congress.** In February 2006, the Subcommittee on Africa, Global Human Rights and International Operations of the House Committee on International Relations (109<sup>th</sup> Congress) held a hearing on Liberia entitled *The Impact of Liberia's Election on West Africa*. The 109<sup>th</sup> Congress and its immediate two predecessors closely monitored the status of Charles Taylor, beginning with his resignation in 2003. With a few exceptions, these Congresses have consistently strongly supported the SCSL and the implementation of its mandate. The 109<sup>th</sup> Congress passed laws (P.L. 108-199 and P.L. 108-106) urging that SCSL indictees, like Taylor, be transferred to the court, and in May 2005, the House and Senate passed H.Con.Res. 127 (Royce), which urges the same outcome.<sup>121</sup> P.L. 109-102, the FY2006 Foreign Operations Appropriations bill, reaffirmed congressional support for the court. It imposed FY2006 obligation restrictions on some types of assistance under certain conditions for countries in which SCSL indictees “are credibly alleged to be living” unless such countries cooperate with the SCSL, including by transferring such indictees to the court. It specifically would have barred assistance to Nigeria unless the President were to have reported to the Committees on Appropriations on steps taken in FY2003 through FY2005 to obtain Nigeria’s cooperation in surrendering Taylor to the SCSL and a strategy and time line for achieving that purpose. It further required that the United States support efforts within the U.N. Security Council to obtain the transfer of SCSL indictees into the custody of the court. H.Amdt. 480 (Watson) to H.R. 2601, the FY2006-FY2007 foreign relations authorization act, also would have required the Administration to seek the expeditious transfer of Taylor to the SCSL for trial.

Recent Congresses have provided substantial support for Liberia’s rebuilding and peace building processes; U.S. assistance is summarized in **Table 3**. An Administration Economic Support Fund (ESF) FY2006 budget request for \$75 million for Liberia was not included in P.L. 109-102 (formerly H.R. 3057 [Kolbe], the FY2006 foreign operations appropriations bill, which mandates special congressional notification for the expenditure of funds used to assist Liberia). Additional FY2006 ESF funding for Liberia was, however, provided under P.L.

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<sup>120</sup> These restrict certain kinds of assistance to Liberia owing to its arrears on national debt repayments to the United States. See USAID, *Audit of USAID/Liberia's Compliance with the Brooke Amendment and Sections 620(q) and 617 of the Foreign Assistance Act of 1961*, (Audit Report No. 7-669-02-001-P), March 7, 2002, provides background on the Brooke Amendment.

<sup>121</sup> The European Parliament passed a similar resolution in February 2005.

109-234 (passed as H.R. 4939 [Jerry Lewis]), the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006. It appropriated \$63.8 million in assistance for Liberia, in the form of \$50 million in ESF and \$13.8 million in Migration and Refugee Assistance funds.<sup>122</sup>

Other congressional interest in Liberia in the 109<sup>th</sup> Congress focused on Liberia-related immigration and debt issues, and several other matters. H.R. 257 (Jackson-Lee), H.R. 2092 (Jackson-Lee), H.R. 3450 (Patrick Kennedy), and S. 656 (Reed) would have given permanent U.S. residence status to qualified Liberians resident in the United States, among other measures, as would have S.Amdt. 452 (Reed) to H.R. 1268 (Jerry Lewis).<sup>123</sup> H.R. 1130 (Waters) would have enacted various measures intended to reduce the national debts of certain poor countries, including Liberia, and have encouraged their governments to fund social services. Two concurrent resolutions, H.Con.Res. 327 (Eddie Bernice Johnson) and H.Con.Res. 313 (Payne), would have commended Liberia for successfully conducting elections and congratulated President Sirleaf for her electoral victory. S. 779 (Dorgan), A Bill to Amend the Internal Revenue Code of 1986 to Treat Controlled Foreign Corporations Established in Tax Havens as Domestic Corporations, would have designated Liberia as a “tax-haven country,” allowing the Internal Revenue Code to treat certain foreign corporations created or organized under Liberian law as U.S. domestic corporations for tax purposes.

## U.S. Assistance Summary

U.S. assistance to Liberia, which is discussed periodically throughout this report, seeks to accomplish the following.

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<sup>122</sup> The ESF funds were initially added after the House Appropriations Committee adopted by voice vote an amendment offered by Representative Jesse Jackson, Jr., to provide \$50 million in Economic Support Fund (ESF) assistance for Liberia. The vote took place during a March 8, 2006, House Appropriations Committee markup hearing on President Bush’s FY2006 Emergency Supplemental request for other humanitarian assistance. The committee recommended that of the ESF funds, \$30 million be used for emergency employment activities to strengthen security and build roads; \$10 million be used to establish an electricity grid; and \$10 million be used for demobilization and reintegration of ex-combatants. The House passed H.R. 4939, as amended, on March 16. On April 5, the Senate Committee on Appropriations reported an amendment to H.R. 4939 in the nature of a substitute (see S.Rept. 109-230) that maintained the same levels of assistance for Liberia as the House-passed bill. No further funds for Liberia were added to H.R. 4939 during Senate floor consideration of the bill, which was passed by the Senate on May 4 with non-Liberia-related amendments. On the same day, the Senate insisted on its amendment and asked for a conference with the House. The conference committee maintained the \$63.8 million funding level for Liberia. State/PRM later allocated some additional supplemental MRA funds to Liberia.

<sup>123</sup> TPS is a temporary “safe harbor” immigration status granted to qualified nationals of some countries affected by ongoing armed conflict, natural disaster, or other difficulties. See CRS Report RS20844, *Temporary Protected Status: Current Immigration Policy and Issues*, by Ruth Ellen Wasem and Karma Ester.

- Strengthen and help rebuild Liberia's government structures and processes, and bolster the rule of law;
- Prevent destabilizing factors, such as political and social exclusion and competition over resources, from again leading to a re-emergence of violent conflict; and
- Help Liberia to rebuild its economy and create sustainable, long term, trade and market-driven economic growth.

**Development Assistance.** USAID supports a mix of quick impact to medium-term programs that focus on establishing the social and economic conditions necessary to engender community reintegration, economic growth, and rebuilding of infrastructure — including reconstruction of electric and water provision infrastructure, and rehabilitation of schools, clinics, roads and other public facilities. USAID also supports efforts to prevent and manage community conflicts, which are common in post-conflict contexts. Key USAID goals are to build capacity and provide other support to boost basic economic and income-earning activities, notably through enhancements to the agricultural sector and through and sustainable management of natural resources. It also supports efforts to increase access to basic education and health services.

The United States, through USAID, the State Department, and in cooperation other U.S. government agencies, also sponsors projects to increase participatory governance, public sector transparency and accountability (notably under GEMAP; see above), adherence to the rule of law, including the Truth and Reconciliation Commission, and greater civil society capacity to monitor and reform government activities. Economic Support Funds are used to support wide-ranging program activities in such areas as fiscal and forestry policy reform and implementation efforts, parastatal privatization, private sector micro-lending, trade and investment reform, ex-combatant reintegration, and judicial and rule of law programs, among other activities.

**Trade Benefits.** The United States is also supporting President Sirleaf's market-based economic growth agenda in a variety of other ways. In late February 2006, the U.S. Trade Representative announced that President Bush had reinstated duty-free Generalized System of Preferences (GSP) trade benefits for Liberia. USTR said that the action was intended to provide "strong support to recently elected President Ellen Johnson Sirleaf's efforts to increase employment, diversify exports, and stabilize society." It was made, according to the USTR, because Sirleaf had repealed a decree prohibiting strikes and invited the International Labor Organization (ILO) to help Liberia to conform with ILO obligations, thus making "improving worker rights a high priority."<sup>124</sup> On January 1, 2007, Liberia became eligible to receive U.S. trade benefits under the African Growth and Opportunity Act (AGOA).<sup>125</sup> In February 2007, Liberia and the United States signed a bilateral Trade and Investment Framework Agreement (TIFA). Its aim is to bolster bilateral

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<sup>124</sup> USTR, "U.S. Reinstates Trade Preference Benefits for Liberia," February 22, 2006.

<sup>125</sup> See CRS Report RL31772, *U.S. Trade and Investment Relationship with Sub-Saharan Africa: The African Growth and Opportunity Act and Beyond*, by Danielle Langton.

economic cooperation, primarily by creating a U.S.-Liberia Council on Trade and Investment charged with monitoring bilateral trade and investment developments and opportunities, related policy problems, and identifying and working to remove impediments to bilateral investment.<sup>126</sup>

**Economic Cooperation and Investment.** In February 2007, the U.S. Trade and Development Agency (USTDA) announced that it would provide a \$400,000 grant to the Liberian Ministry of Lands, Mines and Energy to fund a technical and economic feasibility study of the rebuilding and expansion of the Mount Coffee Hydropower Station. The station, once a key national source of electricity, was destroyed during the first civil war. USTDA had first announced plans to support such a study in mid-May 2006.<sup>127</sup> This announcement had been preceded by a February 2006 announcement by the U.S. Export-Import Bank (Ex-Im) stating that it had renewed its Short-Term Insurance Pilot Program for Africa (STIPP) for three years beginning March 31, 2006, and that Liberia had been added to the program.<sup>128</sup> Similarly, in March 2006, the Overseas Private Investment Corporation (OPIC) had announced that “following the election of President Ellen John Sirleaf and the conclusion of its long civil war,” it had “reopened its programs in Liberia for the first time since 1990” as part of an effort of “[r]eaffirming U.S. government support for Liberia.”<sup>129</sup>

OPIC is now involved in a public-private commercial and investment business development lending project, the Liberia Enterprise Development Fund (LEDF), together with the RLJ Companies of Black Entertainment Television founder Robert L. Johnson, CHF International, and the U.S. African Development Foundation (ADF). The purpose of LEDF is to create a projected \$30 million loan portfolio aimed at supporting small businesses in Liberia. OPIC has committed to provide \$20 million in debt financing to LEDF, and Mr. Johnson and the ADF have committed, respectively, to provide \$3 million and \$1 million annually over three years. CHF International will administer the program in Liberia.<sup>130</sup> OPIC also co-sponsored a Liberia Private Sector Investment Forum in February 2007.

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<sup>126</sup> Trade and Investment Framework Agreement between the United States of America and the Republic of Liberia, February 15, 2007, [[http://www.ustr.gov/Trade\\_Agreements/TIFA/Section\\_Index.html](http://www.ustr.gov/Trade_Agreements/TIFA/Section_Index.html)].

<sup>127</sup> USTDA, "USTDA Supports Development of the Power Sector in Liberia During President Ellen Johnson-Sirleaf's Visit," February 15, 2007; and USTDA, *Pipeline* [Bi-Weekly E-Mail Update], May 12, 2006.

<sup>128</sup> See Export-Import Bank, "EX-IM Bank Renews, Expands Africa Short-Term Insurance Initiative," February 10, 2006. The STIPP helps businesses in eligible countries buy U.S.-made goods and services by insuring short-term export credit transactions involving various payment terms in countries where Ex-Im Bank is otherwise not open.

<sup>129</sup> OPIC, "OPIC Reopens Programs In Liberia," March 21, 2006. OPIC provides political risk insurance and financing aimed at helping U.S. businesses invest in emerging markets and developing nations.

<sup>130</sup> See CHF International, "Liberia Economic Development Fund Launched by CHF, RLJ, OPIC & ADF," February 14, 2007, [<http://www.chfhq.org/content/general/detail/4614>].



Another effort aimed at fostering bilateral ties, including commercial ones, was the February 2007 signing of an Open Skies aviation agreement between the United States and Liberia.<sup>131</sup>

**Debt relief and Donor Cooperation.** In mid-February, 2007, the United States, other governments, and several multilateral organizations co-hosted the Liberia Partners' Forum, a meeting between the Liberian government and Liberia's public sector creditors and bilateral assistance donors in Washington, D.C.<sup>132</sup> The aim of the event, which followed a similar one held in July 2006, was to review Liberia's achievements and challenges in the areas of economic governance, fiscal policy implementation, general economic development, and related matters. During the meeting, Bush Administration officials announced their intention to cancel \$391 million in debt owed by Liberia to the United States, both under the Heavily Indebted Poor Countries (HIPC) Initiative and in cooperation with other donors, such as the World Bank, the African Development Bank, and the International Monetary Fund. They noted that the Administration's FY2008 budget request to Congress includes a request for about \$9 million to cover the first stage of this process. In addition, the Treasury Department stated that "the Administration is prepared to ... set aside \$15 million to contribute to forgiving Liberia's debt to the African Development Bank" and "redirect more than \$150 million in funds held by the IMF as a contribution to forgiving Liberia's debt to the IMF, in consultation with Congress."<sup>133</sup>

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<sup>131</sup> Its purpose is to "significantly modernize U.S.-Liberia aviation relations by allowing airlines from the two countries to make commercial decisions with minimal government intervention" and "provide for open routes, capacity, frequencies, designations, and pricing, as well as cooperative marketing arrangements, including code-sharing." See State Dept., "U.S. Signs Open Skies Aviation Agreement with Liberia" [Media Note], February 16, 2007; and —, "Open Skies Agreement Highlights," June 1, 2006.

<sup>132</sup> Items reviewed included the status of peace consolidation, Liberia's transition to democracy, and the rule of law; public financial management, civil service, and anti-corruption reforms; the status of public financial management reform efforts, including with respect to budgeting, revenue administration, and auditing and procurement; requirements for clearing local and national public debt; private sector-driven economic revitalization and job creation, and the status of basic services and infrastructure provision; and planning and international backing for reconstruction and development, including the status of Liberia's international financial institution-backed Interim Poverty Reduction Strategy (iPRS).

<sup>133</sup> Secretary Condoleezza Rice, "Liberia Partners' Forum" [statement], Washington, DC, February 13, 2007; and U.S. Treasury, "Treasury Working with Congress to Relieve Liberia's Debt Burden," press release HP-262, February 14, 2007. An International Monetary Fund (IMF) staff team recently concluded an assessment visit to Liberia. The team observed that from 2008 to 2012 the economy, "buoyed by the expected revival of mining, forestry and agricultural sectors," was projected to grow over 11% per year, that inflation was low, and that the government had achieved most of benchmarks under an IMF staff-monitored program (SMP), including a growth in revenues that have surpassed SMP "targets by a significant margin." The Fund is seen as likely to submit a report supportive of potential multilateral debt relief for Liberia. Implementation of Liberia's Governance and Economic Management Assistance Program (GEMAP), discussed below, reportedly has played an important role in causing creditors to view Liberia's prospects for debt relief in (continued...)

## U.S. Assistance Levels

Levels of U.S. assistance to Liberia, FY2004-FY2007 and the Administration's request for FY2008, appear in **Table 3**.<sup>134</sup> The status of FY2007 appropriations is discussed in the notes to **Table 3**. Under the Administration's FY2008 request,<sup>135</sup> which reflects concepts adopted under the Administration's recent reform of the U.S. foreign assistance framework, Liberia is classified as a *Rebuilding Country*, that is, one "in or emerging from and rebuilding after internal or external conflict." Since post-conflict rebuilding processes often involve the integration of general socio-economic development goals with those that tied to the maintenance of internal security, political institution building, and other post-war state reconstruction objectives, the Administration did not request Development Assistance funds in its FY2008 budget request. Instead, it made a significantly larger Economic Support Fund (ESF) request than would be typical for a developing country, in part because ESF funds can be used for developmental purposes but are more flexible and can be used for a range of other or cross-sectoral purposes.

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<sup>133</sup> (...continued)

a positive light. See IMF, "Statement by IMF Mission to Liberia on Progress Under the Staff Monitored Program," Press Release 07/74, April 16, 2007.

<sup>134</sup> Jendayi E. Frazer, Assistant Secretary of State for Africa in the State Department and Lloyd Pierson, former Assistant Administrator for Africa for USAID described current U.S. policy and assistance strategies in detail before the House Subcommittee on Africa, Global Human Rights and International Operations, Committee on International Relations in a February 2006 hearing entitled *The Impact of Liberia's Election on West Africa*; see House Serial No. 109-146.

<sup>135</sup> The Administration's FY2008 Liberia country request can be found on pages 226-229 of the Administration's *Congressional Budget Justification for Foreign Operations - Fiscal Year 2008*, online at [<http://www.state.gov/f/releases/iab/c21508.htm>].

**Table 3. U.S. Assistance to Liberia, FY2004-FY2008**

(\$ millions; actual, estimate, supplemental, or request levels; errors due to rounding)\*

Account <sup>a</sup>	FY2004 Actual	FY2005 Actual	FY2006 Actual	FY2006 Actual Suppl. <sup>b</sup>	FY2007 Regular Est. <sup>c</sup>	FY2007 Supp. <sup>d</sup>	FY2008 Request
CSH	2.82	3.97	2.87	-	8.50		10.8
DA	-	6.85	23.73	-	30.50		0
ESF	-	24.8	42.72	50	30	3	73.545
<i>DHRF (Special ESF)</i>	-	.05	-	-	-		-
<i>Self-Help Fund (Special ESF)</i>	-	.07	-	-	-		-
FMF	-	2.98	1.98	-	1.52		1
GHAI	-	.70	.70		.70		
IDFA-Supplemental <sup>e</sup>	200	-	-	-	-		-
IDFA <sup>e</sup>	-	9.71	3.71	-	-		-
INL	0	5	0.99	-	1		4.13
IMET	0	0	.13	-	.24		0.3
NADR-SALW	0.16	-	.22	-	0	5	0
PKO	34	25	20	-	13.25	40	16.8
P.L. 480, Title II <sup>e</sup>	21.53	22.55	26.97	-	7		-
TI <sup>f</sup>	3.072	2.58	6.39	-	5.60		-
MRA <sup>e</sup>	27.89	28.19	17.3	14.35	22.5		-
<b>Sub-Total: Bilateral and Emerg. Aid</b>	<b>289.47</b>	<b>132.45</b>	<b>147.71</b>	<b>64.35</b>	<b>120.81</b>	<b>48</b>	<b>106.58</b>
UNMIL/CIPA	290.34	235.42	72.42	-	175.68	-	110.19
<b>Totals - All Funding</b>	<b>579.81</b>	<b>367.87</b>	<b>216.42</b>	<b>64.35</b>	<b>315.04</b>	<b>48</b>	<b>216.77</b>

\*Data current as of late August 2007.

**Sources:** State Department, *Congressional Budget Justification for Foreign Operations* [CBJ] and the *International Affairs (Function 150) Budget Request*, for FY2008 and previous fiscal years, and information from USAID/OFDA, State/PRM, State/OGAC, and State/Political-Military Affairs officials.

**Notes:**

- See appendix for account names.
- FY2006 supplemental appropriation under P.L. 109-234. The Administration requested \$13.8 in MRA funds for Liberia but did not request the \$50 million in ESF support that the law provided. PRM allocated The purposes for which the ESF appropriation were used are listed on page 125 of the FY2008 CBJ. Regular and supplemental FY2006 bilateral and emergency aid totals \$208.35 million; that assistance plus CIPA funding for FY2006 totals \$280.77 million.
- FY2007 table entries reflect funding levels provided for under P.L. 110-5 (H.J.Res. 20/Revised Continuing Appropriations Resolution, 2007), except for PKO, UNMIL/CIPA, GHAI, MRA, P.L. 480-Title II, and TI, for which relevant program administering agencies provided FY2007 estimates to CRS. Specific aid levels for FY2007 were finalized in August 2007 following the completion of a process of consultation between the State Department and USAID and the Committees on Appropriations, as provided for under the Foreign Assistance Act of 1961, as amended. The \$13.25 million in FY2007 KO funds consists of \$12.75 million in PKO funds allocated to Liberia; \$.50 million from the Africa regional PKO account.

- d. Supplementary FY2007 funds provided to assist Liberia under H.R. 2206 (Obey), the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, which President Bush signed into law on May 25, 2007. \$40 million in regional Peacekeeping Operations (PKO) funds are intended to support security sector reform in Liberia; \$3 million in Economic Support Fund (ESF) are for support of the Special Court for Sierra Leone; and \$5 million in regional Nonproliferation, Anti-Terrorism, Demining and Related (NADR) Programs are provided "for the protection of the Liberian President." The act authorization for the U.S. Treasury to use FY2007 appropriated Bilateral Economic Assistance to aid Liberia in retiring its international financial institution debt arrears. Similar funding would have been provided under H.R. 1591 would have provided such funding, but the bill was vetoed by President Bush. For further information, see CRS Report RL33900, *FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes*, by Stephen Daggett, Amy Belasco, Connie Veillette, Curt Tarnoff, Pat Towell, Rhoda Margesson, Susan B. Epstein, and Bart Elias.
- e. Funding under some accounts, such as IDFA, MRA, and P.L. 480, Title II often rises during a given fiscal year because these accounts are appropriated in a global lump sum and allocated throughout the year in response to emergent needs. Therefore no country-specific request is included for FY2008 and FY2007 levels for these accounts may differ substantially from those in FY2006; see note B, above.
- f. TI entries for FY2004, FY2005, and FY2006 reflect levels reported in USAID's Budget Justification to the Congress FY2007 and the Administration's combined Congressional Budget Justification for Foreign Operations for FY2008. The FY2007 estimate reflects data received by CRS from a USAID Office of Transition Initiatives (OTI) official on April 23, 2007. Internal OTI data reflect annual funding levels that differ from those reported in the Budget Justifications listed above. OTI reports the following actual TI funding levels for Liberia: FY2004: \$4.067 million; FY2005: \$2.15 million; and FY2006 \$7.57 million.

Figure 1. Map of Liberia



Source: Map Resources. Adapted by CRS. (K.Yancey 2/10/06)

## Appendix 1: Acronyms Used in this Report

ADF:	U.S. African Development Foundation
AFL:	Armed Forces of Liberia
AGOA:	African Growth and Opportunity Act
CDC:	Congress for Democratic Change, Liberian political party
CIPA:	Contributions for International Peacekeeping Account
CIVPOL:	Civilian police
COTOL:	Coalition for Transformation of Liberia; Liberian political party
CSH:	Child Survival and Health Program Fund
DA:	Development Assistance Account
DSCA:	Defense Security Cooperation Agency
DHRF:	Democracy and Human Rights Fund
ECOMIL:	ECOWAS Mission in Liberia
ECOWAS:	Economic Community of West African States
ESF:	Economic Support Fund
Ex-Im:	U.S. Export-Import Bank
FMF:	Foreign Military Financing Account
GHAI:	Global HIV/AIDS Initiative
GEMAP:	Governance and Economic Management Assistance Program
GIHL:	Global Infrastructural Holdings Limited
GSP:	Generalized System of Preferences
ICC:	International Criminal Court
ILO:	International Labor Organization
HIPC:	Heavily Indebted Poor Countries
HRDF:	Human Rights and Democracy Fund (HRDF); ESF allocation of Bureau of Democracy, Human Rights, and Labor, State Dept.
ICGL:	International Contact Group on Liberia
IDFA:	International Disaster & Famine Assistance Account
IDP:	Internally displaced person
IFES:	Elections technical assistance organization formerly known as the International Foundation for Election Systems
IMET:	Int. Military Education and Training
INL:	International Narcotics Control & Law Enforcement
IRI :	International Republican Institute
LEDF:	Liberia Enterprise Development Fund
LP:	Liberty Party, Liberian political party
MRA:	Migration and Refugee Assistance
NADR-SALW:	Nonproliferation, Antiterrorism, Demining and Related Projects-Small Arms and Light Weapons
NDI :	National Democratic Institute
NEC:	National Elections Commission (of Liberia)
NGO:	Non-governmental organization
NTGL:	National Transitional Government of Liberia
NTLA:	National Transitional Legislative Assembly
OFDA:	USAID Office of U.S. Foreign Disaster Assistance
OGAC:	U.S. Global AIDS Coordinator
OPIC:	Overseas Private Investment Corporation
P.L. :	Public Law
P.L. 480, Title II :	Humanitarian food aid
PKO :	Regional Peacekeeping Account

PRM:	Population, Refugees & Migration Bureau, State Department
RFTF:	Results-Focused Transitional Framework
RUF:	Revolutionary United Front; defunct armed Sierra Leonean rebel group
SCSL:	Special Court for Sierra Leone
SDN:	Specially Designated National
Special Self-Help:	Ambassador's Special Self-Help Fund; minor ESF funding stream allocated by U.S. Ambassadors as recommended by local embassy-level committee for special programs of local concern.
SSS:	Special Security Service (of Liberia)
STIPP:	Ex-Im Short-Term Insurance Pilot Program for Africa
TI:	Transition Initiatives Account
TIFA:	Trade and Investment Framework Agreement
U.N.:	United Nations
UNAMSIL:	U.N. Mission in Sierra Leone
UNICEF:	U.N. Children's Fund
UNMIL:	U.N. Mission in Liberia
UP:	Unity Party; Liberian political party
USAID:	U.S. Agency for International Development
USTDA:	U.S. Trade and Development Agency
USTR:	Office of the U.S. Trade Representative