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**COMMENTARY****Lift Liberia's Debt Burden**By ELLEN JOHNSON SIRLEAF and PAUL WOLFOWITZ  
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For more than two decades, the people of Liberia have known little but violence and armed conflict brought on by leaders who violated the public's trust. By the time peace was realized in 2003, 250,000 Liberians, out of a population of three million, had been killed and many more had been rendered homeless. The country had become a base for warlords to smuggle diamonds and traffic in arms and drugs, activities that brought chaos to the country and destabilized the West African region.

Thankfully, this is not the Liberia of today, nor of tomorrow, due to the will of its people and the support of the international community. This support must now be broadened and deepened, particularly through the granting of debt relief, to secure a peaceful and stable future in Liberia.


In the election of 2005, the people of Liberia courageously chose peace, reconciliation and development over ethnic divisions and violence. They spoke loudly and clearly that they wanted a better future for themselves and their children -- a new, free and democratic Liberia where civil liberties, the rule of law, an accountable and transparent government, peace, security and economic development opportunities would be the norms.

Since that time, with the support of the international community, significant progress has been realized. The shattered infrastructure is slowly being rebuilt. Efforts are being made to repair roads, schools and clinics throughout the country that were almost all destroyed or damaged during Liberia's conflict. Water and electricity service has been restored to parts of Monrovia for the first time in 15 years. Economic reforms have increased government revenues by nearly 50% in the past year and the economy grew at 8%, with similar growth predicted for the coming year.

Critically, the foundations of an accountable government are in place and areas of past corruption are being reformed. The Public Procurement and Concessions Commission was established to review all contracts and concessions. The Liberia Reconstruction and Development Commission coordinates discussion with international partners on policy issues and program initiatives, and a code of conduct for public officials has been drafted. The government has taken significant steps to encourage trade and investment. In 2006, exports increased by 25%, and Liberia has been declared eligible for membership under the U.S. Africa Growth and Opportunity Act, facilitating U.S. investment and opening U.S. markets to Liberian exports. The National Investment Commission initiated a "one stop shop" approach to help reduce hurdles to investment and steps are underway to revise the investment and tax code to boost trade and investment.

But despite the progress, Liberia is a place of staggering hardship. Much of the population remains jobless, including many young excombatants outside the rehabilitation process that was designed to give

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them training and jobs. Three-quarters of the population continue to live on less than \$1 per day and nearly half of Liberia's children are out of school.

The next 18 months will be critical in determining whether the aspirations of millions of Liberians can be translated into tangible progress, and this is an opportunity that we all must recognize and seize. Reaching a peace accord, holding an election and funding immediate humanitarian needs together represent only the first stage of rebuilding a battered country. Studies of dozens of nations that emerge from civil conflict show that many slide back into violent chaos when a clear peace dividend fails to materialize.

Emergency funding established to meet urgent humanitarian needs after peace was established is running out, and this early investment in peace must be augmented if Liberia hopes to avoid a return to chaos. The longer-term challenge of building a functioning economy and a capable state urgently requires development assistance that has been slow in arriving.

Debt relief is at the heart of future development assistance for Liberia. Debt relief is urgently needed to cut the staggering \$3.7 billion in borrowings that has accumulated largely from the time of the 1980 military coup until the end of armed conflict. That is an unacceptable burden for a country of three million. Debt relief is a vital step in clearing the way for long-term development assistance and delivering results for Liberia's people. Reaching agreement on a debt relief package is a complex but necessary step in Liberia's economic recovery.

The stakes could hardly be higher. If Liberia succeeds, that success will bring hope to a region that has endured a contagion of war and displacement. If the expectations of two generations of Liberians who put their faith in a better future are not realized, the consequences for the Liberia and its neighbors could be dire. The moment to act is now, and the obligation falls to all of us -- the government of Liberia, the international community, regional partners, civil society and the private sector -- to meet the challenges ahead. Risks remain as we move forward, but the risks of not acting with conviction are far greater.

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