

**LIBERIA**  
**MINISTER NGAFUAN'S STATEMENT**  
**AT**  
**THE AFRICAN DEVELOPMENT BANK**  
**ANNUAL MEETINGS IN ABIDJAN**

Mr. Chairman,  
Fellow Governors,  
Madam Secretary General  
Mr. President of the Bank Group,  
Distinguished Ladies and Gentlemen,

Let me begin by expressing my gratitude to the Government and people of the Ivory Coast for graciously receiving us in this beautiful and vibrant city of Abidjan. As a neighbor and a co-member of the Mano River Union, and the Economic Community of West African States (ECOWAS), we in Liberia consider Ivory Coast's economic vitality in the face of numerous challenges as a model for Liberia as we emerge from conflict and strive to rebuild our decimated economy.

When I stood before this illustrious assembly last year in Dakar, Liberia was being hit full blast by a trinity of crises: food, fuel and financial. I spoke to you about the devastating effect the crises were having on our economy. Growth and job creation were negatively impacted through reduced foreign investment and remittance flows. Government revenues took a severe hit and because of our Zero Borrowing Cash-Based Balanced Budget Policy, we were forced to slash expenditure.

I am pleased to announce, Honorable Chairman, that signs of a rapid recovery are increasingly evident. According to IMF projections, Liberia is expected to sustain one of the strongest average growth rates in Sub-Saharan Africa over the next five-years. The opportunities for economic growth are enormous as infrastructure is rehabilitated and upgraded, retail and service industries recover, and most importantly, as the rich resources of Liberia's agriculture, forestry and mining sectors are brought back into commercial use. Liberia is also nearing the Enhanced Heavily Indebted Poor Country Initiative (HIPC) completion point at the end of June 2010, having completed the governance, debt management, social and public financial management reforms outlined in Liberia's HIPC floating triggers. After the HIPC completion point, we will have more policy space to complete our Poverty Reduction Strategy with the attainment of low debt vulnerability and the availability of new external financing options.

Honorable Chairman,

This progress is occurring despite the deepening impact of the global financial crisis, thanks to two crucial actions. First and foremost, our partners were extremely responsive providing flexible emergency financing to help offset our public revenue shortfalls. The African Development Bank has been exemplary in its support to Liberia, releasing the highest amount of direct budget support provided to this day to Liberia. This has allowed us to continue to finance our PRS and meet our poverty reduction targets. The AfDB's pioneering actions have also triggered other development partners to channel resources through our national budget.

Secondly, our strong recovery is also driven by the strength of our institutional reforms and policy environment. Since President Ellen Johnson-Sirleaf took office in 2006, our government has strived to build a new and reformed public governance system. In October 2009, our Legislature passed our first Public Financial Management Act. This law institutionalizes transparency and accountability in public affairs and government transactions. Through the Public Financial Management Reform Support Program, the Bank has provided on-going support for our governance reform program. We have adopted for the first time in the history of our country internationally accepted accounting standards, Chart of Accounts, and are working towards an Integrated Financial Management Information System that will automate budget execution and perform other PFM functions. We are also strengthening audit capacity throughout government. I am proud to say that a *reporting culture* is certainly taking roots across government.

As we transition from post-conflict emergency crisis response to medium-term development planning, we recognize the need to prioritize infrastructure rehabilitation. Our infrastructure deficit is one of the main impediments to Liberia's development. As we rehabilitate infrastructure over the coming years it will diminish the cost of doing business, stimulate the local economy and attract foreign investors.

The rehabilitation of rural infrastructure is necessary to unleash the full vitality of our agriculture sector. Agriculture is the backbone of the Liberian economy and is crucial for our long-term prosperity. The Bank has assisted us in achieving our objective of scaling up agricultural productivity through rural infrastructure support and value-chain development especially focusing on much needed farm-to-market roads and irrigation systems.

In the coming years, the Bank will be our leading partner in the water sector as we aim to restore national water capacity to pre-war levels. In the coming year, we will begin rehabilitation works at our main water treatment plant outside of Monrovia and build new water treatment and distribution facilities across the country to ensure that access to the dividends of development are spread across the country and not just for the urban elite.

We are and will continue to be inspired and grateful for the Board's and President Kaberuka's stewardship, your demonstrated commitment to making the Bank the continent's premiere financial institution while providing flexible and context specific solutions to the needs of member countries. Let me however stress, as we have done previously, the need for the Bank to establish its ground presence in post conflict countries like ours, to increase the strength of our policy dialogue and further enhance portfolio performance.

Honorable Chairman,

As I conclude, I would like to take a few moments to extend gratitude and appreciation to the Bank on behalf of our President Madam Ellen Johnson Sirleaf and the people of Liberia for your commitment to economic development and prosperity, not just in Liberia, but throughout all of Africa.

Thank you very much, Mr. Chairman.