Report on
African Regional Dialogue on Aid, Debt & Development

11-12 September 2006

Monrovia, Liberia

Cancel the debt now!

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About AFRODAD

AFRODAD Vision

AFRODAD aspires for an equitable and sustainable development process leading to a prosperous Africa.

AFRODAD Mission

To secure policies that will redress the African debt crisis based on a human rights value system.

AFRODAD Objectives include the following:

1 To enhance efficient and effective management and use of resources by African governments;

2 To secure a paradigm shift in the international socio-economic and political world order to a development process that addresses the needs and aspirations of the majority of the people in the world.

3 To facilitate dialogue between civil society and governments on issues related to Debt and development in Africa and elsewhere.

From the vision and the mission statements and from our objectives, it is clear that the Debt crisis, apart from being a political, economic and structural issue, has an intrinsic link to human rights. This forms the guiding philosophy for our work on Debt and the need to have African external debts cancelled for poverty eradication and attainment of social and economic justice. Furthermore, the principle of equity must of necessity apply and in this regard, responsibility of creditors and debtors in the debt crisis should be acknowledged and assumed by the parties. When this is not done, it is a reflection of failure of governance mechanisms at the global level that protect the interests of the weaker nations. The Transparent Arbitration mechanism proposed by AFRODAD as one way of dealing with the debt crisis finds a fundamental basis in this respect.

AFRODAD aspires for an African and global society that is just (equal access to and fair distribution of resources), respects human rights and promotes popular participation as a fundamental right of citizens (Arusha Declaration of 1980). In this light, African society should have the space in the global development arena to generate its own solutions, uphold good values that ensure that its development process is owned and driven by its people and not dominated by markets/profits and international financial institutions.

AFRODAD is governed by a Board of seven people from the five regions of Africa, namely East, Central, West, Southern and the North. The Board meets twice a year. The Secretariat, based in Harare, Zimbabwe, has a staff compliment of Seven programme and five support staff.

List of Abbreviations

AfDB	Africa Development Bank
AFRODAD	African Forum and Network for Debt and Development
CEDE	Center for Democratic Empowerment
GDP	Gross Domestic Product
HIPC	Highly Indebted Poor Country Initiative
IMF	International Monetary Fund
IPRSP	Interim Poverty Reduction Strategy Paper
MDRI	Multilateral Debt Relief Initiative
SMP	Staff Monitored Program
UNMIL	United Nations Mission In Liberia
WB	World Bank

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1.0 Introduction

Liberia is an English-speaking country historically founded in 1867 when former slaves from the United States of America settled there. Today Liberia has an estimated population of 3.3 million people and has just emerged from a 14-year conflict. The new era dawned following the signing of a Peace Agreement in 2003 paving way for the first democratic elections that ushered into power Ms Ellen Johnson-Sirleaf's government in October 2005 - in turn making her the first female elected African President. The government is faced with the daunting task of post-war rehabilitation of community services and restoring productive livelihoods. Unfortunately, Liberia is also saddled with a huge public debt burden of US$3.7 billion, accumulated over the conflict period. Put into perspective, the Net Present Value (NPV) of the external debt was 800% and 3000% of GDP and export earnings respectively as of September 2006! Domestic debt stood at US$700 million, which represents 5.5 times the projected government revenue for the year 2006. The Liberian Government is currently making monthly payments of US$60 000, $25 000 and $15 000 to the International Monetary Fund (IMF), World Bank (WB) and African Development Bank (AfDB) respectively, to pave way for possible debt relief under the Multilateral Debt Relief Initiative (MDRI) Framework.

For a country where an estimated 76% of the population are living below the poverty datum line, 85% of the productive population is unemployed, 71% are illiterate and the life expectancy is only 39 years and there is an urgent need to rehabilitate the critical infrastructure including roads, schools, health centers, water and sanitation - the debt per capita of around US$1 000 is unsustainable. Although Liberia is one of the potential beneficiaries of the MDRI, the probability that the country will reach the Highly Indebted Poor Countries' (HIPC) Completion Point as set by the International Financial Institutions (IFIs) before much damage and harm is almost zero. There is compelling evidence that Liberia's debt must be immediately and unconditionally cancelled to pave way for post reconstruction and development.

It was against this background that the African Forum and Network for Debt and Development (AFRODAD) and the Liberian Centre for Democratic Empowerment (CEDE) organized this African Regional Dialogue with a view of paving way to a sustained Civil Society Organizations' (CSO) collaboration in the fight for Justice in Liberia. The meeting was held in Liberia's capital, Monrovia, and attended by 65 participants representing 13 countries including Malawi, Kenya, Nigeria, Ghana, Sierra Leone, Democratic Republic of Congo, Belgium, Liberia and Zimbabwe.

2.0 Opening Session

Chair - Mr Ezekiel Pajibo
Centre for Democratic Empowerment (CEDE) Executive Director

The opening session was graced with the presence of a high-powered delegation from the Government of Liberia namely:

- Minister of Finance, Dr. Antoinette M. Sayeh
- The Deputy Minister, International Cooperation & Economic Integration, Ministry of Foreign Affairs, Hon. Conmany B. Wesseh
- The Minister of Gender and Development
- The Speaker, House of Representatives, Hon. Edwin. Snowy and
- The Minister of Economic Planning, Dr. Toga McIntosh, who officially opened the regional meeting, and
- Deputy Minister, Economic Affairs & Policy, Hon. Simeon M. Moribah

The organizers and the participants commended the Government of Liberia's commitment to the country's development issues and the political will to fight for economic and social justice as shown by their support for this CSOs' initiative. A welcome adjustment to the program was made to allow each of the dignitaries an opportunity to deliver their remarks to the regional participants on one hand and the latter to have the honor to engage the national leaders.

2.1 Presentation by the Minister of Finance Dr. Antoinette M. Sayeh

In her presentation Dr Sayeh noted that Liberia's public debt was US$3.7 billion, presenting a daunting challenge for a country emerging from conflict. This calls for open consultations on possible options to put the country back on a path to sustainable development. The Table 1 below shows the breakdown of external debt according to creditors.

Table 1 - Breakdown of the external debt according to the Creditors

Lender category	Specific lenders	% of total debt stock
Multilateral lenders	IMF, World bank and Africa Development Bank	44%
Bilateral creditors	Mainly USA, Germany and Britain	26%
Commercial Banks		28%
Foreign suppliers		2%[1]

Dr. Sayeh lamented that Liberia's external debt, particularly the huge arrears, impedes any constructive engagement of Liberia with the international community, leading to the further isolation of the country. She also noted that the country's External Debt increased by 9 170% between 1980 and 1988 to US$862 million leading to the drying up of financial inflows in the late 1980s amidst a shrinking economic base. While the debt stock remained fairly static, arrears doubled in the 10 years to 1999 and the cumulative arrears figure was US$1.47 billion as of September 2006. Some of the critical factors contributing to the debt crisis include political instability, poor financial governance, corruption and the conflict related destruction of infrastructure. As is the case in other countries, international factors such as the oil crisis of the mid 1970s also contributed to the adverse situation currently in Liberia. There is also evidence of irresponsible lending on the part of the creditors that makes them partly responsible for the crisis.

Also, the 14 years of conflict, particularly the near collapse of the key export earning sectors- diamond mining and forestry - and the weak fiscal policies of the previous governments compounded the situation.

The clearance of the arrears is a pre-condition for debt relief discussions and re-engagement with the International Financial Institutions.

The distribution of the arrears is as follows: IMF US$740 m, WB US$535m and AfDB US$255 . Liberia has initiated discussions and negotiations with the external creditors for possible total debt cancellation or debt relief, at least to manageable levels. Unfortunately, so far the MDRI seems to be the only route, but it poses challenges in terms of the attached conditionalities and the lengthy time frame.

The IMF Board approved a Staff Monitored Program (SMP) for Liberia for the period April to September 2006, setting clear benchmarks to be achieved over the six months to be reviewed by November 2006. Among other things, Liberia needs to identify legitimate domestic debts and plan on the service schedules, adhere to a cash budget and finalize the anti-corruption policy framework. The government has been strongly committed to the Program, the success of which is critical for the country to begin the HIPC process. Government strongly feels that it must strengthen its public finance management systems to eliminate leakages from the fiscus and in this regard the Executive has tabled legal instruments to the Legislature for consideration. Liberia would need enormous external support, in the form of grants, to clear her arrears if she is to qualify for debt relief. Moreover she resolved not to take any new loans until arrears have been cleared.

To succeed, Liberia will need both the goodwill of the international community as well as a collective national commitment in terms of tolerance among different groups, preservation of natural resources, social investment in education and human development.

In her concluding remarks Dr. Sayeh stressed that while debt relief may not be the only solution to Liberia's crisis, it is a significant contributor to the country's recovery and long term sustainable development because currently, Liberia **HAS NO CAPACITY TO PAY HER DEBTS EVEN IF THE COUNTRY IS WILLING AND COMMITTED**. Debt cancellation is the **ONLY** way forward for the country to recover from several years of devastation that has led to a complete breakdown of basic services and massive regression in general development.

2.2 Statement by Mr Charles Mutasa Executive Director, AFRODAD

Mr. Mutasa highlighted that this Dialogue was a culmination of various consultations between AFRODAD and the government of Liberia on one hand and CEDE on the other. He further noted that peace is critical in Liberia as it brings hope for reconstruction and development for the country and the West African region as a whole.

Mr. Mutasa noted that the main objectives of the meeting was to:

- Analyze the Liberian situation and recommend concrete steps for the direction of political, economic and social change that should be taken by both Liberians and the International community.
- To facilitate sharing of information and experiences between civil society organizations and intergovernmental representatives on post Conflict Liberian Debt, Aid and Development for Liberia and beyond.

He stressed that collective effort is critical in mapping a way forward, especially towards pressurizing the international community to provide immediate and unconditional debt relief for Liberia given the country's complex circumstances. It is particularly so in view of the ample evidence that part of the debt is odious and the fact that the country has no capacity to pay both the arrears and the debt stock given the economic fundamentals earlier discussed by the Minister. Moreover, debt is curtailing Liberia's ability to not only invest in human development - towards the achievement of the Millennium Development Goals (MDGs) - but also to pay her membership fees to critical organizations like the African Union, (AU), a situation which will perpetuate her isolation from the global community.

Debt cancellation has been granted in other countries like Iraq and it is possible for Liberia. Mr. Mutasa challenged the delegates to reflect on the Liberia that they will want to see 5 - 10 years down the line premised on the international community's decision to cancel or not cancel her external debt.

2.3 Presentation by Hon. Conmany B. Wesseh Deputy Minister for International Cooperation and Economic Integra tion, Ministry of Foreign Affairs

The Deputy Minister noted with appreciation that the Dialogue was complimenting other international Initiatives like the 61st Session of the United Nations scheduled for the third week of September and the Non Aligned Movement (NAM) Heads of State was taking place in Cuba almost simultaneously with the AFRODAD Meeting. The Cuban meeting was particularly significant given President Fidel Castro's prophetic call for debt cancellation 20 years ago.

He reiterated that on its part the Liberian Government remains committed to enhance accountability to consolidate the new hard-won peace and foster renewal, to good governance and infrastructure development. He concluded his brief remarks by wishing the meeting well.

2.4 Presentation by Minister of Gender and Development

The Minister noted with concern that the Staff Monitored Program was already negatively affecting the women and children through foregone access to essential services such as primary health care and education. The Minister emphasized the need to mobilize for debt cancellation as a critical step in achieving social and economic justice for women. She commended CSOs for the work they are doing but urged them to continually and accurately report back to the respective constituencies for collective ownership of the development processes.

2.5 Speech and Official Opening by Dr. Toga McIntosh, Minister of Economic Planning

In his opening speech Dr. McIntosh made the following observations:

- Debt management, aid and development and post conflict peace and security are vital in the current context of Liberia.
- Borrowed funds should ideally be used prudently and repaid when due.
- The investment financed through loans should ideally include social and economic development with clear systems for debt management.

The Minister reiterated that previous Governments of Liberia did not exercise responsible borrowing and hence share the blame with the multiple creditors who continuously funded unaccountable governments over the past two decades leading to the current crisis. The debt burden is imposing a challenge to current government efforts to foster reconstruction and development in the country. There are high, legitimate expectations by the citizens for the government to deliver on peace dividends such as especially infrastructure and human development for a country with school enrolment of less than 50% and over 95% of the existing hospitals non functional. Instead the limited resources that Liberia has are spent on debt servicing while the country struggles to attract any new funding from the International Financial Institutions before clearing the US$1.47 billion arrears owed. This is compounded by low agricultural output, poor infrastructure, low mining activities and the lack of meaningful Foreign Direct Investment (FDI) inflows into the country. The Minister reiterated that the reality on the ground makes it impossible for Liberia to clear her arrears and hence the urgent need to have immediate and unconditional debt cancellation.

With these remarks, Dr. McIntosh then declared the AFRODAD/CEDE African Regional Dialogue on "Post Conflict Liberian Debt, Aid and Development" officially opened. He further wished the participants fruitful deliberations.

2.6 Remarks by Mr. Snowy
The Speaker of the House of Representatives for Liberia

Honorable Snowy reiterated that the Liberian government is committed to and already putting in place measures to deal with the rampant corruption - declared number one enemy by the President. He stressed the need to deal decisively with corruption in both the public and the private sectors. He noted that there is need for civic education to empower the Liberians to fight corruption in a bid to do their part in the country's reconstruction and any external solidarity is greatly welcomed. The government of Liberia would be happy to have even 1% of the aid that has been given to Iraq for its post conflict reconstruction, as it will go a long way.

2.7 Plenary Discussion

The Plenary aroused a lot of debate from participants who commended both the Government and the people of Liberia for their political will and commitment to reconstruction and encouraged them to fight resolutely for the immediate and unconditional debt cancellation. The unusual presence of such high level government officials in large numbers raised a lot of excitement from participants who also noted that they had not previously witnessed such tremendous support from many governments. This was particularly so given the generally low level of participation by most Governments in CSO-organized meetings - regardless of the topic under discussion. Liberians were urged to take a cue from countries like Zambia and more recently Malawi, who benefited from the MDRI announced in 2005 leading to the cancellation of their debts although their debt histories are different. In the case of Zambia the debt relief accorded the government leeway to hire an additional 4 500 new teachers and abolish fees for rural healthcare centers.

It was also noted that the government must resist attempts by the international donor community to label any debt relief as Official Development Assistance (ODA) when the resources would not have benefited the people of Liberia but instead the same donor community and the International Financial Institutions. Delegates stressed the need to call for Total, Unconditional, Debt Cancellation instead of mere Debt Relief, which could be partial and tied to regressive conditionalities. Citing the example of the Abacha case, the participants made a strong call that the plunder of Liberia's resources over the years must be investigated and externalised resources repatriated to rebuild Liberia. The participants also urged the Government to tap into the existing pool of expertise within the region from organizations such as West African Institute for Financial and Economic Management (WAIFEM) to build local capacity for effective public loan contraction and debt management.

3.0 Session 1 - Post Conflict Liberia Social and Economic Challenges

Chair - Mr. Leo Atakpu, Executive Director, ECONDAD, Nigeria

3.1 Government Perspective of Liberia's Current Socio-economic Challenges

Hon Simeon Moribah - Deputy Minister of Economic Affairs and Policy

Mr. Moribah informed the participants that the Government of Liberia adopted an Interim Poverty Reduction Strategy Paper (IPRSP) in 2005 focusing on the following four key pillars:

- Security to sustain peace and promote development
- Governance and the rule of law
- Economic revitalization
- Reconstruction of social services

The above are based on the realization that if social challenges are not addressed, there will never be meaningful development in Liberia. There are, however, urgent measures to be put in place to deal with the numerous challenges affecting the development agenda.

At local level it is critical to work towards the following:

a. An cccountable government - to ensure that national resources are not plundered but are for national development use. There is also a need to address the culture of violence and crime as shown through actions, expressions and thoughts across the whole society.

b. Legal and constitutional reforms - to deter criminal acts in order to nurture the peace after the14 years of conflict.

c. Capacity building at all levels of government particularly the civil service and local governments as they critically lack the right numbers of adequately trained manpower.

d. Partnership between and amongst different stakeholders for complementarity.

e. Resource mobilization through the provision of an enabling environment.

f. The need for continuous evaluation and monitoring of government policies including loan contraction and debt management.

At international level there is need for external debt cancellation to unlock resources for national development. In his closing remarks Mr. Moribah issued a strong call to all participants to help to **"SAVE LIBERIA FROM DAMNATION"**. His call subsequently generated a lot of debate during the plenary, encouraging participants to critically reflect on their individual and collective roles in saving Liberia. The same can be extended to all readers if Liberia is indeed to be saved from its debt crisis as well as other challenges.

3.2 A Critical Analysis of the Aid and Debt Issues in Post Conflict Liberia Implications for the Development Agenda

Vitalice Meja - Programme Director, Lobby & Advocacy, AFRODAD

Mr. Meja observed that the political and humanitarian situation has relatively improved in Liberia since the signing of the Peace Agreement in 2003. The social and economic indicators, however, remain extremely low with poverty at 76%, unemployment at 85%, infant mortality and maternal mortality at 157 and 235% respectively per 1000 live births while maternal mortality ratio is at 580 per 100 000. To deal with these challenges the government is currently using the IPRSP as a basis for donor engagement.

Aid in Liberia is the most cost effective means for ensuring peace and stability in the country with the Result-Focused Transitional Framework, Governance and Economic Management Assistance Program and the United Nations Mission in Liberia (with US$1.25billion committed) as examples. As a way forward it is fundamental that the government convinces both the donor community and more importantly the citizens that national resources will be efficiently used for the people's development. The other challenges are related to the huge funding gap, lack of flexibility in donor funding and late disbursement of committed funds.

Mr. Meja reiterated that Liberia's debt is unsustainable as the debt per capita of US$1 000 far exceeds life savings for most Liberians. He noted that ratios discussed earlier are way beyond the DSA framework for the IMF and the WB, justifying the call for immediate debt cancellation. Mr. Meja condemned the insistence by the multilateral donors for Liberia to service her debt even in the country's current crisis. Since January 2006 Liberia is paying US$60 000, US$25 000 and US$15 000 every month to the IMF, WB and AfDB respectively as an initiative to pave a way for entry into the HIPC and MDRI frameworks. This is not only a major drain for a country with an annual budget of US$129 million and which has been forced to work with a cash budget under the IMF's Staff Monitored Program but also unjust as the debt is largely illegitimate, odious and was acquired by repressive regimes. For these reasons, the debt must be cancelled **IMMEDIATELY**.

He observed that the variations in the figures strongly suggest a need for the strengthening of systems for data collection and analysis as well as comprehensive public debt management policy. Domestic partnership, involving multiple stakeholders, including civic society, and constructive dialogue will be critical in achieving macro-economic management. Mr. Meja recommended that the government consider setting up advisory panels for structured and institutionalized public-private sector and CSOs dialogue.

3.3 Plenary Discussion

The discussant, Mr. E. Pajibo flagged out the following points:

- In order to benefit more from the current peace dividend, security in Liberia should be viewed in the broader context to encompass human development, sustainable livelihoods and food security instead of the military aspects only.
- There is need for accountable governance and the respect for the rule of law.
- Economic revitalization will hinge on the removal of sanctions on Liberia minerals (mainly diamonds) and forestry products to unlock national resources for reconstruction.
- There is growing crime manifesting itself in gang formation, which is potentially very destabilizing. These could, however, be responses to unmet expectations and increasing frustration among the young, poor and unemployed population.
- The legal reforms in Liberia are long overdue and corruption in the judiciary is rampant with allegations of members of the jury accepting bribes from the accused.
- There is also need for constitutional reforms to deal with post conflict challenges.
- Liberia is faced with serious capacity constraints partly due to brain drain with the cream of the nation who would have been trained using scarce national resources opting to work abroad.
- There is marginalization of minority groups.
- "There is need to **“SAVE LIBERIA FROM DAMNATION"**

Mr. Pajibo noted with concern that while the United Nations Mission In Liberia (UNMIL) has played a significant role in attaining and maintaining peace in Liberia, a huge funding gap exists between both its own and the government needs - with US$1.25 billion compared to an annual budget of US$129 million respectively.

The low remuneration for civil servants (averaging US$30 per month) was barely adequate for one to survive. A combination of these factors is causing restlessness amongst the people, particularly the youths, increasing the danger of relapsing into conflict as manifested by an increase in gang led assaults and murder cases.

The participants concurred that the domestic debt question (at US$700 million) was also important as it also cripples development initiatives. One delegate stressed that the Church is a crucial stakeholder and has a critical role to play especially in changing the mindsets of the people through active involvement in government and various development processes. Generally there is need for sincere consultation between government and CSOs that goes beyond information sharing to cover engagement in policy formulation, implementation and evaluation.

4. 0 Session 2 - Liberia and the International Community

Chair - Ms. M. Pratt- University of Sierra Leone

4.1 A Critical Analysis of Post-Conflict Liberia on the International Agenda

Gail Hurley, EURODAD

According to the IMF, the Liberian economy grew by 5.3% in 2005 and is projected to grow by a further 8% in 2006, based on projected increased donor inflows. It is important to reflect whether the type of donor support is of the right kind. EURODAD's position is that Liberia, like most Least Developed Countries (LDCs) must not be forced to clear their arrears (at US$1.47 billion) as a condition for debt cancellation, given the dubious origins of some of the debts in the context of the urgent need for humanitarian and reconstruction needs. The Tables 2-4 below show the breakdown of Liberia's debt for the composite public debt, multilateral and bilateral external creditors respectively.

Table 2 below shows the summary of Liberia's Public debt by creditor 2005, in US$ millions .

External debt	Principal	Accrued Interest	Total	% of debt stock by creditor
Multilateral	693.8	780.3	1.474	42
Bilateral	549.4	408.0	957.4	27
Financial institutions	276.1	372.8	648.9	19
Suppliers' credit	44.4	-	44.4	1
Domestic debt	346.9	39.2	386.1	11
Total	1 910.6	1 600.2	3 510.8	100

Table 3 - Summary of Multilateral Debt by Creditor 2005 (US$ millions)

Multilateral Creditor	Principal	Interest	Total	% Distribution
IMF	319.7	415.7	735.4	**49.9**
WB	207.9	188.4	396.3	**26.9**
AfDB	118.9	138.0	256.9	**17.4**
Others	47.4	38.1	85.5	**5.8**
Total	**486.0**	**780.3**	**1474.1**	**100**

Table 4 - Summary of Liberia's Bilateral Debt by Creditor 2005 (US$ m)

Bilateral Creditor	Principal	Interest	Total	% distribution
USA	218.4	139.6	357.9	**49.9**
Germany	117.0	115.1	232.2	**27.8**
Japan	32.5	23.2	55.7	**6.7**
UK	17.9	58.4	77.4	**9.2**
Others	84.5	27.1	111.6	**13.4**
Total	**470.3**	**363.5**	**833.9**	**100**

An analysis of all the debt figures shows that almost 50% of the total arrears are attributed to interest on both bilateral and multilateral debts. Clearance of these arrears would thus benefit the rich creditor community at the expense of the needy Liberian population and this is morally wrong. Moreover any contributions by the donor community to the settlement of the arrears is accounted for as Official Development Assistance and will only facilitate fresh lending by the same donors on more stringent terms without benefiting the Liberians. The cases of Iraq (where US$81 million was cleared against new borrowing amounting to 4-5 times that figure) and the Democratic Republic of Congo (US$132m against new loans of US$450m) attest to this case. There is need for all new support to be in form of outright grants and should be outside the HIPC framework which takes up to 2009 for Liberia to qualify. Moreover, to qualify, Liberia would have to step up her repayment from the current level - something that the country can ill afford. Most, if not all, of the debts are odious, having been accrued under the previous undemocratic regimes.

Liberia needs urgent debt cancellation that will be supported by a Parliamentary-international community supported debt audit process and an establishment of an official Audit Commission. Moreover the IMF and WB calls for good governance, economic management and institutional development and the EC's call for good financial management must be sincere and beneficiary to the people. On its part the government must remain committed to the fight against corruption and put in place the supportive legislation.

Key principles for donor interventions on governance and anti-corruption

- Building legitimacy and accountability bottom up
- Donor interventions must complement rather than displace the local stakeholders
- Need to strengthen national public financial management capacity, which meets the needs of the people of Liberia
- Donor community must offer technical assistance that capacitate the Liberian government to create citizen-friendly budget processes and information.
- There must be mutual transparency including parliamentary and citizen participation in loan contraction and debt management.

4.2 Plenary Discussion

The participants noted that there is a strong link between debt cancellation and sustained peace in Liberia. On corruption the meeting agreed that the issues be viewed from sides of both the corruptor and the corrupted and that EURODAD should influence its member countries to support local initiatives towards repatriation of externalised Liberian wealth. Liberians were called upon to be wary of the IFIs' demands for good governance that merely seek to protect the West's interests given the already high level of privatisation of national assets. It was revealed that the WB is designing an Anti-Corruption and Good Governance Framework that may be designed to deliberately blur the bad economic governance and corruption of the North. The participants further observed that the call for debt repudiation would make the most sense now for Liberia as she is emerging from a conflict situation. The meeting agreed that Liberians should sponsor such a call for legitimacy with the support of other stakeholders particularly CSOs in Africa and beyond.

5.0 Session 3 - Loan Contraction and Debt Management in Liberia

Chair - Mr. Sahr L Jusu, Ministry of Finance, Sierra Leone

5.1 Studies on Loan Contraction Processes and Debt Management

Charles Mutasa, AFRODAD

Mr. Mutasa informed the meeting that two years ago, AFRODAD commissioned studies in different countries to establish the frameworks for public debt management and understand the causes of the current debt crises. This is critical to inform advocacy work and campaigns for debt cancellation on one hand and to strengthen local frameworks for prudent debt management in future. Failure to build local capacity for debt management may result in new unsustainable debt accumulation after initial relief.

He noted that the studies done in Mozambique, Malawi, DRC, Tanzania and Zambia indicate that loan contraction frameworks vary and generally need to be strengthened if the MDRI beneficiaries are to be served from quick re-accumulation of new debt stocks. Some of the main findings include the following:

a. Relations Amongst Government Departments

- The weak relationship amongst different government arms characterised by lack of coherence and poor co-ordination in loan management
- Lack of independent and well-resourced debt management office resulting in a situation where debtor countries rely on the creditors for debt statistics

b. The Role of Stakeholders

- The main actors in debt management are the Central Banks, the Offices of the Auditor General, the Parliament - especially through relevant Parliamentary Portfolio Committees and the CSOs.

c. The Legal Framework

- In many countries, the legal frameworks are weak and require urgent legislative and constitutional reforms to make them more appropriate for current national challenges

d. Loan Absorption Capacity

- It emerged that some countries may lack adequate capacity to utilise new financial resources unlocked through debt cancellation

e. Corruption and Ethics

- This is critical for both the debtor and creditor countries through both loan pushing and support for corrupt leaders. There is need to address the problems from both ends to avoid accumulation of new illegitimate debts.

The main recommendations from the AFRODAD study are that there must be set up a debt management office or desk in each country for easy co-ordination and expenditure tracking. There is need to empower the Parliamentarians to provide the necessary oversight and restraint on the Executive arm of government. There is also need to institutionalise the public participation and ownership of public assets for accountable governance.

5.2 Overview of Loan Mobilization and Debt Management in West African Region

Dr. Chris O. Itsede, WAIFEM, Nigeria

In his opening remarks, Dr. Itsede bemoaned the absence of Liberian government policy implementers - the technocrats from the relevant ministries who should ideally be present in the meeting to share views and seek to learn from other countries' experiences as part of capacity building.

In putting the meeting into context on why countries need to borrow, Dr. Itsede noted that (West) African countries are resource constrained because of their weak productive bases, low tax revenue and low saving-investment ratios. This resource gap can only be filled through external borrowing which forms the largest part of developing country budgets. Given the importance of debt financing it is critical that recipient countries have adequate capacity to manage the debt to maximise derived benefits without crippling internal development.

Official Development Assistance, Export Credits and Private flows are the main sources of external financing for West African countries and all types have costs attached to them that must be prudently managed.

Noting that it was a weakness of many countries, Dr. Itsede emphasised the need for borrowers to be adequately prepared before negotiating loans. Some of the success factors for negotiating loan agreements include:

- Adequate preparation, including gathering relevant information on the country economic performance and hence repayment capacity.
- Proper policy coordination
- Adequate laws and guidelines for loan contraction
- Constitution of a strong multi-disciplinary negotiating team including economists, lawyers and financial analysts
- Building adequate loan negotiation capacity

Success factors for effective debt management include:

- Establishment of proper institutional arrangements to ensure co-ordination of debt management
- Enacting enabling legislation
- Development of a national debt strategy
- Build adequate debt management capacity including appropriate technology.

From selected case studies done by WAIFEM of West African countries (The Gambia, Ghana, Sierra Leone and Nigeria) the following lessons can be drawn:

- Without enabling legislation for loan mobilisation and management countries will have difficulties in this area.
- Countries need to understand the donor and creditor practices to avoid delays and unnecessary costs
- There is need for well qualified and balanced negotiating teams
- The is need for adequate capacity including the relevant technology for easy and accurate debt management and tracking
- Policy coordination is critical to optimal loan performance.

In conclusion he stressed that loan contraction requires an appropriate framework for loan management backed by an enabling legal framework. National borrowing policies should specify the sources and the degree of concessionality of the loans, a clear debt management strategy and adequate debt management capacity for responsible borrowing.

5.3 Plenary Discussion

The participants observed that there are complex debtor-creditor dynamics in loan contraction and management that must be consciously taken care of. These include the legal, economic and financial provisions with enforceable obligations that borrower countries normally downplay when signing contracts. An example is where the lender specifically provides that certain contracts should only be awarded to bidders from his/her country, if not discussed before hand this will be binding for the duration of the contract and the borrower would be expected to comply. There are also external factors that constrain effective debt management within African countries such as the pro-donor loan utilisation practices. For instance, it is estimated that for every US$100 that Africa receives as debt at least US$65 is remitted back to the North as payment for technical expertise or some other service rendered. This can however be minimised through building adequate local capacity to reject such clauses in the contracts on one end but also to guarantee local capacity to deliver on areas that would otherwise require outsourcing. It was stressed that Liberia should seek to learn from the experiences of the other countries in the region and tap into the expertise of WAIFEM for sustainable development.

Day 2

6.0 Session 4 - Conflict, Security and Development in Africa

Chair - Mr. Njuki Githethwa - KENDREN, Kenya

6.1 Conflict, Development and Peace in Africa

Ms Memunata Pratt, University of Sierra Leone

In her opening remarks, Ms. Pratt observed that Liberian debt could not be discussed outside the context of conflict given that most of the debt was accrued to partially fund the conflict. It can also be argued that failure to get immediate debt cancellation so as to unlock resources for development may also trigger a new wave of conflict due to high and unmet expectations. She also noted that Africa has been hardest hit by conflict accounting for 45% of the world's conflicts, most of which are violent. Most of the Conflicts in Africa spill over national borders to sub regional levels.

Ms. Pratt urged that Conflict is natural and inevitable but not always leading to negative outcomes. The causes of conflict include real or perceived clashes in interest, goals and values, competing claims over resources as well as differences in political, social and ethnic views. Whatever the cause, the state has a responsibility to manage the conflict within the framework of its governance with a view of achieving sustainable peace in the country. This should ideally be institutionalized through the development and promotion of appropriate structures at all levels, establishment of a fair judiciary and other dispute resolution processes that nationals have confidence in.

Conflict can have positive or negative outcomes. The positive ones include:

- The opportunity to produce better ideas on governance issues
- Resolution of longstanding problems
- Clarity of views
- Conflict transformation
- Enhanced creativity amongst the citizens.

On the other hand, the negative outcome of conflict include the feeling of defeat and amongst some sections of the affected community, increasing the differences and distances between affected groups, and worsening distrust and suspicion.

Peace is a relative term that has been given numerous definitions. It is important to note that peace is not merely the absence of conflict but it should guarantee the provision of social and economic justice - covering basic needs for survival such as food, shelter and clothing. It should foster an environment for love, caring for one another, politeness, and honesty, sharing and working for the welfare of all. This is particularly important in West Africa because of the potential contagion effect between and amongst neighboring countries. In a post conflict situation, peacebuilding initiatives should focus on the factors fuelling conflict. Unfortunately, the UN has tended to focus mainly on economic, social and political reforms. It is in this framework that the CSOs can play a role given their individual and collective capacity and expertise to do advocacy on issues such as corruption, bad governance, litigation, arbitration and possible arbitration between parties. In the case of the debt campaigners they could focus on debt cancellation by highlighting the social costs of debt or the illegitimacy of the Liberian debt. Ideally NGOs can also go into service delivery to assist in the post conflict resettlement and rehabilitation of the former fighters while the focus for CSOs should be advocacy work.

Examples of CSO initiatives in addressing the conflict in Sierra Leone that could inform possible interventions in Liberia include the following:

- Establishment of the National Forum for Human Rights
- Women's Forum - influential in the establishment of the Mano River Union Women's Peace Network and Women in Peacebuilding Network
- Professional Association such as The Bar Association, Teachers Association, National Union of Students, the Council of Chiefs all actively involved in post conflict reconstruction
- The Truth and Reconciliation Commission and the Special Court Acts to deal with gross violations and impunity
- Security Sector Reforms
- Human rights education and training at community level
- Anti-corruption advocacy
- Debt campaigns.

She observed that some of the challenges faced by CSOs in Sierra Leone include limited capacity, management of stakeholders' expectations, limitations of weak coalitions and information bases to inform CSOs work. This is in the context of general frustration with unmet expectations on increased employment, reduced poverty, and access to education and health from the general population. In spite of these challenges, the CSOs in Sierra Leone are contributing significantly to the reconstruction process and the same is possible for Liberia.

6.2 Civic Society Initiatives on Peace, Conflict and Post Conflict Reconstruction in Liberia

Kanio Gbala - Civic Initiative, Liberia

The CSOs in Liberia emerged largely during the Taylor regime in response to gross violations of human rights on one hand and rampant corruption on the other. The then government responded by cracking down on them leading to the mass exodus of the activists. Thereafter abuse of state security and intimidation of dissenting voices increased until the signing of the Comprehensive Peace Agreement in 2001. Since then CSOs have started participating in national governance issues and have so far successfully engaged in the following processes:

- Lobbied for the establishment of Truth and Reconciliation Commission (TRC) as well as provisions for a possible Human Rights Commission.
- Stepped up demands for accountability and transparency and actively participated in the October 11, 2005 election monitoring.
- Played a reconciliatory role between former warring factions
- Participate actively in the security sector working groups focusing on the demobilization of the military and other security arms.

He observed that the CSOs in the young democracy are however faced with a number of challenges including lack of transparency in government dealings, low financial support fostering rivalry amongst CSOs, limited autonomy on choosing projects due to donor dominance as well as low transparency within the CSOs themselves that tends to compromise their credibility. Mr. Gbala noted that the UNMIL played a very critical role brokering peace and is currently sustaining it while also facilitating the establishment of a national arm. He cautioned that the UNMIL and other foreign agencies must however not be viewed as substitutes for local initiatives to encourage ownership of the processes.

6.3 A Synthesis of the Reality of Aid 2005/6 Edition "Security, Peace and Development in Africa" - The Role of African Youth in Conflict

Dr. Yakubu Zakariah, Grassroots Africa, Accra Ghana

Dr. Zakariah's presentation was based on an AFRODAD commissioned study undertaken on the Role of African Youth in Conflict published in the Reality of Aid (ROA) 2005/6 editions of both the African and the Global reports. The chapter analyses the role of youths in conflict citing cases/examples from four African countries namely - Nigeria, Kenya, Sierra Leone and Uganda.

He noted that conflict is complex and ever changing and at the heart of it there is a perceived notion of injustice and mistreatment. The highlighted types of conflicts are:

- Products of competition for scarce resources e.g. Niger Delta in Nigeria
- Opposition to secular authority e.g. the Munguki tribe in Kenya
- Due to degeneration of State security such that gangs then connive with state security in their activities e.g. the unemployed youths in Kenya
- Due to overuse or misuse of natural resources e.g. Niger Delta in Nigeria where Nigeria has earned an estimated US$340 billion from crude oil but the oil rich neighborhood remains extremely poor and marginalized.

In Sierra Leone the cause of conflict is the diamond where the state institutions have been weakened by corrupt exploitative governments and excessive external influence.

Dr. Zakariah stressed that overall security and development issues are closely interrelated. Security should be viewed in the broader context to encompass state security, food security as well as social, environmental and economic issues. These must be dealt with to rid Africa of crises and pave way for the development of Africa, a continent accounting for 45% of global conflicts with an estimated 15 million people displaced, highest and growing poverty levels but also the largest deposits of natural resources. UNDP Human Development reports confirm that countries that experience conflicts fair the least in terms of development. For meaningful development to take place the following conditions must be obtained

- Natural and human resources
- Basic rules to govern must be in place
- There must be indigenous entrepreneurship
- Where possible Build, Operate and Transfer arrangement must be encouraged between private and public sectors

He stressed that conflict compromises the rights of children and the youth who are some of the most vulnerable groups yet they find themselves abused as and by perpetrators at the expense of their future. This practice unfortunately breeds an illiterate generation that can never attain its full potential hence limits the country's future development prospects. To address conflict, youths and indeed groups with perceived differences should be wary of the role and the self-interest of third parties who may fuel conflict for their own advantage.

In conclusion, Dr. Zakariah emphasized that African governments have a significant role to play to ensure that governance systems work for sustainable peace to prevail. Where possible financial support must be provided to support livelihoods of the youths who may revert to gang activities to earn some income or simply due to frustration from living poor civilian lives. There must also be internationally supported peace initiatives as has been the case in other parts of the world.

6.4 Plenary Discussion

One of the participants noted that traditional and religious beliefs contributed towards the conflict in Kenya. He also observed how, if not ndealt with, religious diversities can perpetuate conflict as has been the case in Northern Nigeria. The other factor is the widening gap between the rich and the poor within the same communities. This is compounded by the role of the Northern corporations seeking to benefit from illegal exploitation and/or sale of extractive resources during the conflict periods. Participants were urged to take an interest in the Publish What You Earn Campaign launched under the Extractive Industry Transparency Initiative, which requires that corporations for example in the Niger Delta of Nigeria to publicize their earnings, taxes paid and social responsibility budgets. It was noted and commended that Liberian CSOs had already launched such a campaign.

The meeting also agreed that it is critical to address the human rights issues as a matter of priority as a pre condition for the attainment of other security concerns. There is also need for aggressive civic education to empower citizens to fully participate in democratic processes beyond tribal and political affiliations. There is also need for a social contract to guide the Government- CSOs relations.

7.0 Group Work

The group discussions sought to get concrete recommendations on the way forward on Aid, Debt and Peace and Security in the post conflict Liberia. The recommendations were also to inform the CSOs statement that was subsequently issued at the end of the meeting summarizing the main outcomes of the African Regional Dialogue.

The Questions and responses for the three groups are summarized below.

Group One - Aid and Development Management

Question 1. What reforms would be recommended in the delivery and management of Aid?

Response - It was noted that there has not been any direct foreign assistance to Liberia since 1985 and any aid since then has been channeled through bilateral and multilateral organization such as the UNMIL, other UN agencies, EU projects and USAID. Their main priorities are refugees' return, resettlement and rehabilitation as well as roads rehabilitation whereas government priorities are Security, Economic revitalization, Governance and Rule of Law and Basic infrastructure and Basic services.

The group recommended that there should be:

a. Harmonization of government and donor priorities in line with provisions of the Interim Poverty Reduction Strategy Paper and subsequent government policy frameworks

b. No more tied aid which has, for instance, resulted in security and infrastructure contracts being awarded to those affiliated to the donors and not the best deserving bidders

c. Increased government transparency and accountability.

Question 2. How can government and CSOs in Liberia address capacity constraints at different levels?

Response

a. While capacity building is critical at and for all levels, the group recommended, given the current state of affairs in Liberia, that priority must be given to local governments

b. CSOs encouraged to facilitate civic education for demand driven accountability systems and culture

c. Donor must not impose any remuneration ceilings for critical staff - there is need for structural challenges as well as retention packages to attract and retain especially the qualified Liberians currently in the Diaspora

d. Need for a systematic Needs Assessment to inform capacity building strategies

e. Need for government and CSOs collaboration where necessary in capacity building

Question 3. Recommendations on strengthening dialogue between government and CSOs in aid delivery and management

Response

There is need for the following measures:

a. Regular and genuine consultations amongst the critical stakeholders including government and CSOs. The framework for forums for such negotiations must be flexible enough to respond to the changing needs of the country over time

b. Information on official aid must be tabled in parliament for wider information dissemination

c. Tracking of government grant expenditure by CSOs for transparency and accountability

d. Build on current initiatives such as the TRC and proposed Human Rights Commission.

e. Institute legal and possible constitutional reforms to expressly provide for public and CSOs consultation on economic issues.

Group Two - Loan Contraction and Debt Management

Question 1: What action can be taken to reinforce the issues of debt cancellation for Liberia by the:

i) Government of Liberia

- Conduct a transparent audit of both domestic and external debts
- Demonstrate commitment to good governance.
- Take specific legal action on individuals and corporations that will be implicated in the debt audit.

ii) International organizations e.g. AU, ECOWAS, CSOs

- Demand that debts be cancelled and that the re-financing should NOT affect official assistance to Liberia.
- Support outright cancellation to nurture Liberia's democracy and promote peace
- ECOWAS and the AU should lead the debt cancellation campaign.
- CSOs should monitor the management of resources and put the Liberian case on the international agenda.
- Raise awareness on the need for need driven development in Liberia.

Question 2: What must be the Liberian Government do in the context of

Legislation

- Review of the current legislation on loan contraction and debt management policy and procedures.
- Provide for parliamentary approval by at least 2/3 majority of all public loans.
- Provide for stakeholder consultation for transparency and accountability.

Institutional set up

- Centralize the debt management function with clear categories and responsibilities.
- Set up a debt management unit, with a clear debt management strategy and policy framework.
- Request technical assistance from organizations such as WAIFEM, DRI, AfDB and the Commonwealth Fund for capacity building.

Group 3 - Peace and Security

Question 1: Identify challenges of CSOs in developing peace, conflict and post war reconstruction initiative for Africa

- Suspicions and mistrust based on ethnic factors
- Negative views of CSOs by government
- Financial and human resource constraints

- Competition amongst CSOs and staff loss to donor organizations
- Donor dominance in agenda setting
- Too high stakeholders' expectations

Question 2: What should be the key focus of CSOs in developing peace and post conflict reconstruction in Liberia?

- Reconciliation amongst the different factions led by a Truth and Reconciliation Commission for lasting peace
- Civic education based on clear curriculum on peace, responsibilities of different stakeholders.
- Mindset transformation and fostering of paradigm shift with active participation of faith based organizations.
- Debt cancellation and prudent future debt management.
- Policy advocacy and dialogue meetings.

Question 3: Give recommendations on how to improve peace, reconciliation and reconstruction initiatives to address human security concerns in Liberia.

- Peace education programmes
- Total disarmament
- Promotion of sustainable dialogue
- Strengthening human rights and the rule of law
- Budget monitoring and expenditure tracking
- Poverty reduction and promotion of gender balance

8.0 Closing Session

Chair - Moreblessings Chidaushe, AFRODAD

8.1 Closing Remarks by Mr. Olabisi Dare AU Senior Political Humanitarian Officer in Liberia

(The closing session of the two days deliberations were covered live by the Liberian TV and various radio stations.)

In his closing remarks, Mr. Dare commended the organizers - AFRODAD and CEDE, for the first meeting of this nature which was also very fruitful and rewarding to all participants. He informed participants that AU has since inception sought collaboration with CSOs in realization of the latter's role in nurturing peace and promoting development in Africa. He noted the dynamism that will characterize the continent in the 21st century, particularly the high level of globalization led international integration. Peace, security and economic development are fundamental if Liberia to take her rightful place in this global village. Mr. Dare called upon the CSOs, the Government of Liberia and the International community to work together for the development of new democracy in Liberia and beyond so that the West Africa region can fully benefit from their natural endowment.

8.2 The CSOs' Statement on the Post Conflict Liberia Dialogue on Aid, Debt and Development

Mr. Pajibo read the CSOs' statement summarizing the deliberations of the two-day workshop and it was subsequently adopted by the participants, marking the end of the official workshop proceedings. A commitment was made by CEDE and AFRODAD to deliver the statement to the Government of Liberia and further widely circulate it as an advocacy tool. The Statement is attached as Annex 1.

9.0 Launch of the Reality of Aid Book

9.1 Background Information on the Reality of Aid Project

In her introductory remarks, Chair of the session, Ms. Chidaushe informed the audience that the Project seeks to give an overview of the performance of Development Aid in different parts of the world inspired by the realization that billions of dollars have been invested in development work without any tangible results. She observed that the donor communities - predominantly from the North have blamed the recipient governments in the South for poor management of the resources while the South feels the projects have failed due to conditionalities attached to it. The research findings over the years have shed light on the true realities of aid and the books are useful lobby and advocacy tools in seeking better Aid policies for the benefit of the poor, particularly in Africa.

She informed the audience that the research topics are selected at global level and regional studies commissioned on a given theme. AFRODAD is coordinating the African Chapter of the Project and for the years 2005/6 the theme is - Security, Peace and Development in Africa. The findings are published in two volumes one for the Africa and the other covering the World report.

9.2 Remarks by Ms M Pratt, University of Sierra Leone

Ms. Pratt in her remarks reiterated that well-managed aid is crucial in conflict resolution in Africa and elsewhere. She observed that unfortunately in a lot of cases, aid has been misused and instead used for fuelling violence in the region while contributing to the debt crises, as is the case in Liberia. She urged the meeting to view Liberia, as a launching pad for debt cancellation in the rest of the continent to unlock resources for the people's development. She concluded by commending AFRODAD and the other stakeholders involved in the project for exploring the aid question for the better understanding of both the recipient governments and more important the people in whose name the aid is received while benefits accrue to others.

9.3 Remarks by Dr. Y. Zakariah - Grassroots Africa

Dr. Zakariah is one of the authors of the 2005/6 Reality of Aid, Africa Edition. In his chapter he focused on 4 countries in West Africa as summarized under his earlier presentation on page 18 of this report.

In his remarks he also commended AFRODAD for its role in the project and thanked the organization for according him the honor to contribute a chapter to the book.

9.4 Remarks by Mr. O. Dare - AU Senior Political Officer in Liberia

In his remarks, Mr. Dare chronicled the changes in the political dynamics following the collapse of Western Block contributing to the intra state conflicts such as the Rwanda genocide of 1994 which killed 750 000 people, largely civilians and two thirds of whom where killed during the first 72 hours. He noted that the African Union, on its part has sought ways of addressing the conflict as shown by the following examples:

- The formation of a Conflict resolution function in the 1993 AU Summit in Cairo.
- Establishment of the 15 member Peace and Security Council in the 2003 Maputo Summit. Through this council, members of the AU can call for a peace intervention from other members through the provision of Article 4 of the Charter.

He also noted that the recent years have seen a paradigm shift in which aid is now viewed in the context of security and development and not in isolation form other factors. This is shift is however largely influenced by the war on terror. He concluded by stressing African Union's commitment to post conflict reconstruction and peace in Liberia as evidenced by its decision to have a permanent office in the Country.

9.5 Statement and Launch of the Reality of Aid book by Minister

The Minister prefaced his remarks by thanking AFRODAD for granting him the honor to launch the Book. He further commended all the participating organizations particularly AFRODAD and EURODAD for the insightful project that has immensely contributed to the understanding of the dynamics of development aid. He stressed that aid does not necessarily lead to development as confirmed in Chapter 4 wherein it is shown how aid can actually fuel conflict. He noted with concern that poorly managed aid contributed to the conflict in Liberia, where the majority of the population who are aged 39 years and below have never known peace. In chronicling Liberian story he highlighted that since the 1979 uprising, the standards of education for instance have deteriorated due to a combination of poorer educational infrastructure and the culture of violence that discourage youths from pursuing their studies. He reminded participants that due to the historical ties between his country and the United States of America, the latter had agreed to provide budgetary support for Liberia. He lamented the fact that such support has been characterized by numerous contradictions where for instance those posing as humanitarian agencies are fronts illegal natural resources exploiting syndicates or military armory.

In view of Liberia's experiences over the 40 years, he argued that **AID WITHOUT COOPERATION WOULD NOT HELP LIBERIA**. He thus stressed the need for all concerned stakeholders including the CSOs to work together with the Liberian Government to work together to ensure that aid is constructively used in the country. In closing he reiterated that his Government is committed to collaborate with CSOs for the benefit of the people of Liberia. Marking the end of both the conference and the launch, the Deputy Minister then officially launched the Reality of Aid Publications as the participants responded with a loud applause.

Appendix 1

Statement of Civil Society Organisations on the Dialogue on Debt, Aid Management and Development in Post Conflict Liberia,

11-13 September 2006, Corina Hotel, Monrovia, Liberia

Preamble

i. We, the members of Civil Society Organisations and interGovernmental agencies from 15 countries representing more than 40 organisations gathered at Monrovia, Liberia from the 11th and 12th of September 2006, and having deliberated on debt, aid and development in regard to post-conflict Liberia:

ii. Welcome the current commitment to sustainable peace, democracy and stability enjoyed in the country

iii. Commend the efforts of the people and Government in the reconstruction, reintegration, reconciliation and development of Liberia

iv. Agree that Liberia's debt is a serious impediment to the fledgling democracy and peace efforts

v. Note with serious concern the current payment to the International Monetary Fund, World Bank and the African Development Bank by the Liberian Government

vi. Reiterate the need for total, immediate and unconditional debt cancellation:

- Effective delivery and management of development assistance by the donors
- The establishment of an integrated debt management strategy and policy

vii. Acknowledge that effective aid and debt management and nationally-owned development strategies form the indispensable foundations for sustainable development in Liberia and that they are the fundamentals for ensuring peace, security, economic revitalisation, infrastructural development, and effective public service delivery

viii. Emphasize the urgent need for the Government to meet the people's expectations that come with post-conflict situation in respect of democratic dividends,

ix. Stress the need for the consolidation of peace and the entrenchment of a culture of democracy and good governance.

We therefore commit ourselves as civil society to:

- Campaign for the need for urgent, total and unconditional debt cancellation and the scaling up as well as the front-loading of development assistance to avert the country's sliding back to conflict.
- Show solidarity to the people and Government of Liberia by putting the country's case on both the regional and international agenda:
- Undertake civic education to consolidate the peace by supporting disarmament and promoting justice and reconciliation.

We urge the International community to

- Immediate and unconditionally Cancel all Liberia's multilateral and bilateral debts so as to give it a fresh start.

- Treat Liberia as a special case.
- Increase and urgently deliver development assistance, whenever possible by direct budgetary support in order to rebuild infrastructure and make progress towards the attainment of Millennium Development Goals (MDGs)
- Facilitate the tracking and repatriation of Liberia's stolen wealth

And we call upon the Government of Liberia to:

- Review current loan contraction and debt management legislation, policies and procedures so as to ensure transparency , accountability and legislative oversight of the process.
- Consider immediate establishment of an effective debt management office.
- Institutionalize civil society engagement on issues of economic justice including debt management, budget monitoring and tracking.
- Conduct transparent audit of ALL of Liberia's debts- external and domestic as well as intensify anti-corruption measures.
- Seek demand driven technical assistance from the African region

Appendix 2

List of Participants

	Name	Country	Organization
1.	Rita Ansah	Ghana	Grassroots Africa
2.	Yakubu Zakaria	Ghana	Grassroots Africa
3.	Herbert Chingati Phiri	Malawi	Malawi Council of churches
4.	Andrew Kambatira	Malawi	Malawi Economic Justice
5.	Njuki Githethwa	Kenya	Kenya Debt Relief Network
6.	Joseph Kakinda Mbwende	D R C	CNONDO
7.	Memunatu Pratt	Sierra Leone	University of Sierra Leone
8.	Morlai Kamara	Sierra Leone	Network Movement For Justice & Development
9.	Salir L Jusu	Sierra Leone	Ministry of Finance
10.	Ido Alitou	Burkina Faso	ECONDAD- Burkina
11.	Ntando Ndlovu	Zimbabwe	ZIMCODD
12.	Amegadze Kokou Eloim	Togo	Les Amis di la Tezze
13.	Daduda Esse Achille	Cote D'ivoire	FNDP
14.	Leo Atakpu	Nigeria	Aneej/ECONDAD
15.	Ngambi Francis	South Africa	Economic Justice Network
16.	Kaara Wahu	Kenya	Kenya Debt Relief Network
17.	Kone Solange	Cote D'ivoire	FNDP/jubilee 2000
18.	Jinming Zhao		UNMIL
19.	Olabisi Dare		African Union
20.	Michael Torwah	Liberia	CEDE
21.	Cecilia Jireevs	Liberia	Liberia Woman Initiative
22.	Cooper G Elwada	Liberia	Liberia Woman Initiative
23.	Robert Jadoe		New Vision Newspaper
24.	Gen Jonathan Barnney	Liberia	Liberian Senate
25.	Musu Sigleal		Crystal Fan
26.	Clementine WeciarkLiberia		Liberian Church of Churches
27.	Tolbert T Jallgh	Liberia	Liberian Church of Churches
28.	Moses Wenyiu		Star Radio
29.	Betty Bruye Pott		Foreign Ministry
30.	Atty David Gray		Axell
31.	Samuel G Heny		LYSMUN
32.	D.Siaffa Dennis		FDL
33.	Y. Antonto Wesley		West African Democracy Radio
34.	Philomena T Blidi	Liberia	CEDE
35.	Gbawu E Woiwor	Liberia	National Human Right Centre
36.	Charles Mutasa	Zimbabwe	ARFODAD
37.	Vitalis Meja	Zimbabwe	ARFODAD
38.	Samuel H B Puermallel	Liberia	Federation of Liberian Toath
39.	Weah B Aazon	Liberia	CEDE
40.	Sammy S Dorbor		Naymote-PADD

Appendix 3

Programme for Dialogue On Post Conflict Liberian Debt, Aid and Development

11-13 September 21, 2006, Monrovia, LIBERIA
Corina Hotel

Sunday, 10th September 2006

Arrival and registration of Delegates

Day one: Monday, 11th September 2006

In Chair: Ezekiel Pajibo, Executive Director
CEDE

09:00-10:30 Opening Session

Introduction and Welcome Remarks: **Dr Antoinette M Sayeh, Minister of Finance/Economic Development**

Statement by: **Hon. Edwin Melvin Snowe**
Speaker, House of Representatives

Statement by: **Executive Director of Afrodad, Mr. Charles Mutasa**

Hon. Conmany B. Wesseh, Deputy Minister
International Cooperation & Economic Integration
Ministry of Foreign Affairs, Liberia

Minister of Gender

Keynote Address and official Opening:
Dr. Toga C. McIntosh, Minister of Planning & Economic Affairs, Liberia

Statement and Vote of Thanks: **Mr. Ezekiel Pajibo**

Group Photo

11:00 – 11:30 Tea break

Session one Post conflict Liberia socio economic challenges

In Chair: Mr. Leo Atakpu, ECONDAD, Nigeria

11:30 – 11:50 The government perspective of Liberia's current Socio-economic Challenges: Hon. Simeon Moribah, deputy Minister of Economic Affairs and Planning Liberia

11:50 – 12:05 A critical Analysis of the debt and Aid Issues in Post-Conflict Liberia The Practical Implications to the development Agenda **Vitalis Meja, AFRODAD**

12:05 – 12:30 Discussant - **Ezekiel Pajibo, CEDE, Liberia**

12:30 – 13:15 Plenary Discussion

13:15 – 14:15 Lunch

Plenary Session Two: Liberia and the International Community

In Chair: Ms. M Pratt, University of Sierra Leone

14:15 – 1430 A critical Analysis of Post-Conflict Liberia on the International Agenda (Relation with international financial institutions (IFIs), Donors and the UN Family) (**Gail Hurley, EURODAD**)

15:15 – 1600 Plenary

16:00 – 1615 Tea break

Plenary Session Three: Loan Contraction and Debt Management in Liberia

In Chair Mr. Sahr L. Jusu, Head, Debt Management Unit, Ministry of Finance, Sierra Leone

AFRODAD Loan Contraction study, **Charles Mutasa, AFRODAD**

16:15 – 16:30 Overview of Loan Contraction and Debt Management in the West African Region, **Dr. Chris Itsede, Director General, WAIFEM**

17:10 – 18:00 Plenary Discussions

DAY TWO: Tuesday, 12TH September 2006

Plenary Session Four: CONFLICT, SECURITY AND DEVELOPMENT IN AFRICA

In Chair: Mr. Njuki Githethwa, KENDREN Kenya

09:00 - The African Union and post-conflict Liberia-Key issues on Peace, Security and Development in Africa, **Ms. M. Pratt**

Civil Society initiatives on Peace, Conflict and Post-conflict reconstruction in Liberia, **Kanio Gbala, Civic Initiative, Liberia**

09:40 – 10:40 A Synthesis on the Reality of Aid Global thematic work on Peace, Security and Development-The case of Africa - **Dr.Yakubu Zakaria**

10:00 – 10:30 Plenary Discussions

11:00 – 11:30 Tea break

Session Five: Recommendations and Proposals

11:00 – 12:00 Group Work

12:00 – 13:00 Group Feedback and Plenary

13:00 – 14:30 Lunch

14:30 – 15:00 Plenary/Review of draft Statement

15:30- 15:45 Way forward AFRODAD/CEDE

15:45 – 16:00 Closing Remarks: **Charles Mutasa**