

CRS Report for Congress

Received through the CRS Web

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

December 13, 2005

Nicolas Cook
Specialist in African Affairs
Foreign Affairs, Defense and Trade Division

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

Summary

This long report describes recent developments in Liberia, a small, poor West African country that is undergoing a post-conflict transition and peace-building process after its second civil war in a decade. The latter 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 affected neighboring states, which accepted Liberian refugees and, in some cases, hosted anti-Taylor forces and became targets of armed aggression by the Taylor regime. This report will be updated as events warrant.

Liberia held post-war elections in October 2005, with a presidential run-off vote in November. Ellen Johnson-Sirleaf, an economist with Liberian government and multinational organization experience, won with 59.4%. She is the first female president of an African country. Her run-off opponent was George Weah, a former soccer player whose star status and rags-to-riches history make him a hero to Liberian youth. Weah is contesting the election, contending fraud. Most election observers characterized the process as orderly, generally well-administered, and free and fair.

The election fulfilled a key goal of an August 2003 peace accord, which ended the second civil war, leading to an on-going, U.S.-aided post-war transition process. That process is bolstered by the multi-faceted U.N. Mission in Liberia (UNMIL), which carries out diverse peacekeeping, civilian policing, and socio-economic assistance functions. UNMIL was preceded by the U.S.-assisted deployment in August 2003 of an Economic Community of West African States (ECOWAS) military intervention force, the ECOWAS Mission in Liberia (ECOMIL). Liberia's security situation is stable but subject to periodic volatility. Humanitarian conditions are improving. Progress in governance has been mixed, and widespread corruption within the interim government has been alleged. Liberia's economy and state structure remain devastated by war. A legal case against former president Charles Taylor, an war crimes indictee of the Special Court for Sierra Leone (SCSL) who lives in exile in Nigeria, remains unresolved. The United States is providing extensive post-war reconstruction aid and support for security sector restructuring, which will include the training of a newly recruited and vetted 2,000-person military.

In addition to providing substantial support for Liberia's rebuilding and peace building processes, Congress has shown considerable interest in the status of Charles Taylor. It passed laws (P.L. 108-199 and P.L. 108-106) urging that SCSL indictees, like Taylor, be transferred to the court. In May 2005, the House and Senate passed H.Con.Res. 127 (Royce) urging the same outcome. P.L. 109-102, the FY2006 foreign operations appropriations act, provides \$13 million for the SCSL. H.Amdt. 480 (Watson) to H.R. 2601, the FY2006-FY2007 foreign relations authorization act, would require that the United States seek the expeditious transfer of Taylor to the SCSL for trial. Other congressional interest in Liberia focuses on Liberia-related immigration and debt issues. Bills related to these ends include H.R. 257 (Jackson-Lee), H.R. 2092 (Jackson-Lee), H.R. 3450 (Patrick Kennedy), S. 656 (Reed); S.Amdt. 452 (Reed); H.R. 1268 (Jerry Lewis); and H.R. 1130 (Waters).

Contents

Background	1
Transition Process	2
2005 Post-War Elections	2
New Government: Prospects	4
Security Conditions	5
Security Sector Reform	6
Humanitarian Conditions	6
HIV/AIDS	7
Governance	7
Concession Deals	8
Anti-Corruption Efforts	10
Charles Taylor	11
Congressional Focus	14
Appendix 1: Acronyms Used in this Report	16

List of Tables

Table 1. U.S. Assistance to Liberia, FY2004-2006	15
--	----

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

Background

Liberia, a small, poor West African country of 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 groups: Liberians United for Reconciliation and Democracy and the Movement for Democracy in Liberia. 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 and became targets of acts of armed aggression by the Taylor regime.¹

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, 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 ends on December 31, 2005.

¹ 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*, provide in-depth background on events in Liberia during recent decades.

Transition Process

The August 2003 Comprehensive Peace Agreement,² 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 2005. A newly-elected government is slated to replace the NTGL in late January 2006. The NTGL consists 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 leads the Liberian Action Party, oversees the functions of the central government and various public corporations, agencies, and commissions. The transition has faced many challenges, most related to the extremely destructive effects of many years of war in Liberia. Others include the dominant role within the NTGL of the three former armed factions, which have been 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 presidential, Senate, and House of Representatives elections were held on October 11, 2005, and a presidential run-off vote was held on November 8. The presidential race 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 Liberian finance minister who had served as a United Nations and World Bank official. On November 15, 2005 the National Elections Commission (NEC) declared Johnson-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 Johnson-Sirleaf, the NEC is continuing to probe 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 Johnson-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.³

² Accord text available from U.S. Institute of Peace [<http://www.usip.org/library/pa.html>].

³ Full election results are available online from the NEC: [<http://www.necliberia.org/results>].

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 run-off 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.

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.⁴

Weah, who claimed to have been cheated in the first round, has contested his loss, claiming that the election was rigged, irregular, and “not free and fair,” and called for a nullification and re-run of the vote. He submitted a formal complaint to the NEC, filed a Supreme Court petition seeking to halt vote counting, and apprised multinational organizations, foreign governments, and international elections observers of his allegations. He publicly exhibited ballots that he claimed had been pre-marked and validated in Johnson-Sirleaf’s favor, presumably for purposes of ballot-box stuffing, and turned over to him by “concerned citizens.” Weah called on his supporters to be peaceful, but many Liberian and international officials were concerned that his claims might spur his supporters, who include a high proportion of war-affected, often illiterate youth and many ex-combatants, to engage in violent protests. Many of them, chanting such slogans as “No Weah! No peace!,” protested on his behalf during the NEC counting process, and in some cases clashed violently with U.N. peacekeepers, including near the U.S. Embassy. Some vowed to engage in further violence if Weah were not declared election winner.

Concerns over further CDC-related violence appear warranted. On December 12, Weah returned to Liberia after meeting presidents John Kufuor of Ghana and

⁴ 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.

Thabo Mbeki of South Africa, who reportedly urged him to concede his defeat with grace. Upon his return, he again claimed publicly to have been cheated of an electoral victory. He reportedly stated on his King FM radio station that “I am President of this country, whether you like it or not... One cannot have an inauguration in January when the case we are pursuing is not resolved. ... We are seeking justice and there cannot be peace without justice.” He was also quoted as saying that “We must fight to obtain” “revolution” and “justice.” In the wake of these statements, CDC supporters reportedly rioted violently, causing damage to vehicles and buildings, and clashed with security forces after police tried to break up a gathering at the CDC headquarters. The unrest, which CDC partisans blamed on police provocation, was suppressed by UNMIL civilian and Liberian national police, and 50 persons were arrested, but the situation in Monrovia remained tense. There are unconfirmed reports that two NTGL officials were involved in orchestrating the violence.⁵

Rhetorically volatile statements by some officials of Weah’s CDC party initially may have provoked unrest among his supporters and laid the groundwork for their continuing demonstrations. Some remarks targeted NEC chairwoman Frances Johnson Morris, who labeled CDC assertions “reckless and irresponsible,” and whom CDC officials called upon to step down for “smearing” Weah. CDC legislators-elect also threatened to boycott parliament if Weah’s complaints were not addressed. Many observers are skeptical about claims that systematic or large-scale fraud may have marred the election, and U.S. officials view the process as having been orderly, largely well-administered, and free and fair. Such views are 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. Johnson-Sirleaf may face challenges in meeting high voter expectations, in part due to her own election promise to provide public electricity in Monrovia within six months of being elected, despite the complexity and great cost of such an undertaking. Voters also are seen as unlikely to give the new government a honeymoon period, following what many see as disappointing performance by the transitional government. The public is likely to demand rapid improvements in social services and the construction physical infrastructure, particularly in support of education, healthcare, and transportation.

Johnson-Sirleaf will probably not be able to govern unilaterally, as Liberia’s tradition of winner-take all politics dominated by a historically strong executive branch allowed past incumbents, because the electorate gave no single party a strong governing mandate. The keenly contested 22-candidate presidential first round vote, in which no candidate garnered more than Weah’s 28.3% of votes — necessitating a run-off presidential poll — and the splintering of the legislature among many parties, suggests that no party enjoys the backing of a majority of the electorate. Many observers believe that the legislature may take a more engaged and assertive role in policy-making than is traditional in Liberia. Johnson-Sirleaf’s Unity Party

⁵ IRIN, “Liberia: Riots Erupt as Weah Claims Presidency,” Dec. 12, 2005 and Christopher Melville, “Comment from Defeated Presidential Candidate Provokes Riots in Liberian Capital,” *Global Insight Daily Analysis*, Dec. 13, 2005, *inter alia*.

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.

The fractionalized make-up of the legislature, however, suggests 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 could, however, produce political gridlock or political flux characterized by fluid, *ad hoc*, and possibly issue-specific alliances, rather than a clear and unified policy-making trend. 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 Johnson-Sirleaf to rapidly initiate efforts to foster national reconciliation and rebuild national unity.

Johnson-Sirleaf has reportedly been discussing these and other issues, including her priorities for Liberia and the status of Charles Taylor (see section below entitled "Charles Taylor"), with interested governments in West Africa and abroad. During a mid-December trip to the United States, Johnson-Sirleaf met with World Bank President Paul Wolfowitz, National Security Advisor Stephen Hadley and his Africa deputy, Cindy Courville, and was slated to meet with Secretary of State Condoleezza Rice, Treasury Secretary John Snow, and Members of the House and Senate, including the Congressional Black Caucus and Majority Leader Bill Frist.⁶

Security Conditions

Liberia's security situation has improved markedly since August 2003 but remains subject to periodic volatility and localized instability. Over 101,000 ex-combatants were demobilized under a disarmament program administered by UNMIL and the NTGL that ended in late 2004. Public security has periodically been threatened by sometimes violent political faction rivalries; criminal acts, often by ex-combatants; and civil unrest related to socio-economic grievances, predominantly involving students, workers, civil servants, jobless youth, and former fighters. Price increases for rice, fuel, and cement are key sources of social dissatisfaction. U.N. and U.S. officials and many members of Congress are concerned about persistent, credible reports that Charles Taylor has interfered in Liberian affairs from exile in Nigeria through a network of political, military, and business associates, which Taylor denies. These alleged actions are seen as destabilizing and threatening to the consolidation of peace.⁷

⁶ Reed Kramer, "Showered With Enthusiasm, Liberia's President-Elect Receives High-Level Reception in Washington," *AllAfrica.com*, Dec. 11, 2005

⁷ Liberia remains under U.N. sanctions, first imposed under U.N. Security Council Resolution 1521 (2003), that prohibit trade in arms, diamonds, and timber with Liberia, and the travel of certain designated individuals, mostly members or associates of the Taylor regime. The current travel ban list includes two legislators-elect, Jewel Howard-Taylor, a former wife of Charles Taylor, and Edwin Snowe, a former Taylor regime official. Many
(continued...)

Security Sector Reform. With U.S. assistance, Liberia is set to establish a new military made up of an initial 2,000 recruits, all vetted to screen out human rights abusers. The State Department will administer the overall military training program through two contractors: DynCorp International and PAE, in coordination with U.S. military trainers. DynCorp is to help vet, recruit, and provide basic training for the new force. PAE will provide specialized advanced training, equipment, logistics, and base services. The training package is currently projected to cost about \$95 million, according to the State Department, prospectively to be drawn from a mix of FY2004 through FY2007 International Disaster and Famine Assistance, Regional Peacekeeping, and Foreign Military Assistance funds, and is slated to begin in February 2006. 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 have been scarce, but over 8,000 irregular forces have been demobilized, and many of over 4,000 regular AFL soldiers have been demobilized. Top officers comprise the final category slated to be decommissioned, a goal that is seen as needing to be accomplished prior to inauguration of the new government to avoid any potential sources of military disgruntlement during the succession of state power. Total demobilization cost estimates vary between \$15 million and \$18 million.

The United States also is providing Liberia with UNMIL-administered civilian police (CIVPOL) training assistance, which includes the deployment, as members of UNMIL, of about 20 U.S. CIVPOL advisors, as well as equipment and contractor-based logistical support. The Special Security Service (SSS), a roughly 1,252-member presidential protection unit that under the NTGL continued to provide executive branch and VIP close protection functions, is being restructured. About 600 SSS officers are receiving general UNMIL police training and will continue to provide VIP protection services. The remaining SSS members are slated to be decommissioned, but there is no current funding for this purpose. U.S. aid also supports the rehabilitation of the judicial and penal systems.

Humanitarian Conditions

Humanitarian conditions are steadily improving, though from a base of severe and widespread post-war need, and poverty remains endemic. Liberia continues to receive substantial international food aid, with about 708,000 persons receiving food assistance each month, and is highly donor-dependent. International assistance is, however, increasingly supporting resettlement and socio-economic recovery, rather than emergency humanitarian needs. By late August 2005, over 207,000 internally displaced persons (IDPs) and over 87,000 refugee returnees had been resettled in permanent places of residence. There remained about 314,000 IDPs as of mid-September 2005. The United Nations has reported a lack of funds to resettle about 20% of this population. Most IDPs and over 37,000 refugee returnees have received resettlement aid, usually consisting of basic non-food items, transport aid, and two

⁷ (...continued)

of these same individuals are also subject to financial asset freezes mandated by U.N. Security Council Resolution 1532 (2004). For more detail, see CRS Report RL32243, *Liberia: Transition to Peace*.

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 healthcare services, and transport infrastructure. Numerous schools have re-opened nation-wide, with extensive assistance from UNICEF.

HIV/AIDS. The threat of HIV/AIDS in Liberia is gaining increasing attention. While 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%, though some observers believe that the rate could be as high as 12% in some population sub-groups.⁸ 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.⁹ 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.

Governance

Progress in governance has been mixed. While the NTGL is functional, the restoration of state authority and the rehabilitation of state institutions have been hampered by central government ministry inefficiencies, widespread resource constraints, and lack of institutional and financial system capacities and trained manpower. Progress has been reported in recent months, however. Many revenue, customs, immigration, and local officials have been deployed to sites outside Monrovia, and regional Central Bank offices have 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 are persistent reports of corruption within the NTGL, in some cases on a large scale, notably in the context of import-export transactions, government contracts, and the issuance of commodity marketing or concession rights. The U.N. Secretary-General reported in mid-March 2005 that there is 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 have made similar observations

⁸ IRIN PLUSNEWS, "Youth Not Putting HIV Prevention Lessons into Practice," Oct. 27, 2005 and USAID, Health Profile: West Africa-HIV/AIDS, n.d.

⁹ For background on the Global Fund, see CRS Report RL31712, *The Global Fund to Fight AIDS, Tuberculosis, and Malaria: Background and Current Issues*.

and called for transparency measures. National fiscal and budget obligation mechanisms and voucher record-keeping systems are described as chaotic and subject to manipulation in some cases by key officials. The agency miscellaneous expense budget account category “Other” is reportedly extremely large in many cases, and expenditures of such funds are said to be carried out in a highly *ad hoc* manner. Recent 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 have drawn local and foreign condemnation. In November 2005, the U.S. Embassy in Monrovia stated that the U.S. government is

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.¹⁰

Citing a 2004 presidential proclamation, it stated that government officials who engage in “violations of the public trust” and persons who abet such actions might — along with their families — will be ineligible for U.S.-funded programs and services, including consideration for Diversity Visa, Immigrant Visa, and other visa services.¹¹ 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).¹²

Concession Deals. Natural resource and land concession contract deals have drawn attention during the NTGL’s tenure because of their financial significance and potential long-term effects 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 cancelled. Some observers also question the NTGL’s award of offshore oil exploration permits to three relatively obscure firms just prior to elections.

The NTGL 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

¹⁰ See U.S. Embassy-Monrovia, “U.S. Embassy Shocked and Disappointed at Abuse Of Public Trust,” Press Release, Nov. 18, 2005 and IRIN, “Liberia: Scramble for Goodies Ahead of Political Handover,” Nov. 21 2005.

¹¹ See Proclamation by the President, *To Suspend Entry as Immigrants or Non-immigrants of Persons Engaged in or Benefitting From Corruption*, Jan. 12, 2004.

¹² USTR, *2005 Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act*.

plantation areas for the cultivation of rubber.¹³ The contract was amended, in part, because Firestone contends 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 gives 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 may be extended for another 50 years after renegotiation. The other deal, with Netherlands-based Mittal Steel Holdings, provides 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 gives 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 is extendable for additional 25-year terms, if certain criteria are met.

Both deals have drawn criticism from some civil society groups that have contended that the NTGL lacks a legal mandate to negotiate long-term concessions, that such functions should 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.¹⁴ 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 not undertaken in a transparent manner. Mittal has denied that charge, and maintains that the contract was won in a “transparent and competitive bid process” and will bring significant foreign investment and infrastructure development to Liberia.¹⁵ The former U.S. Ambassador to Liberia John Blaney reportedly pushed for requirements that, regardless of what firm was awarded

¹³ 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.

¹⁴ 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), Nov. 7, 2005; John Walsh, “Supreme Court Issues Stay Order On NTGL; Ja’neh Appears Today,” *FrontPageAfrica*, Nov. 7, 2005; George Bardue, “Supreme Court Stops Budget Execution and Summons NTGL Officials,” *The News* (Monrovia), Nov. 7, 2005.

¹⁵ Alphonso Toweh, “Liberia Minister Wants Mittal Iron Ore Deal Revised,” *Reuters*, Sept. 14, 2005; D. Moses Wantu, “Mittal Steel Hearing Backfires,” *The Analyst* (Monrovia), Sept. 6, 2005; Economist Intelligence Unit, “Liberia: A steel?,” *Country Monitor*, Aug. 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*.

mining rights, a major railroad that would be rehabilitated under such a deal be made a multi-use railroad.¹⁶

The Firestone contract has 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, rivers, and water life. 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 law, 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.¹⁷

Anti-Corruption Efforts. The NTGL has taken some steps to halt corrupt practices. It established a Task Force on Corruption and a Cash Management Committee. It has 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, see the NTGL Task Force as lacking the capacity or political will to achieve significant results, and some Liberian officials have periodically 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 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

¹⁶ 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.

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

Commissioner, and Liberia's International Maritime Organization representative for fraud.

Concerns over transparency produced a sometimes halting and highly conditional provision to Liberia by donors of pledged aid as well as some reticence to offer new funding. This has 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.

There are some indications that Liberian-donor government relations may improve when the newly-elected government takes office. Johnson-Sirleaf has reportedly suggested that she may seek a review of some public contracts or concession deals granted by the NTGL. In addition, in September 2005, the NTGL negotiated and signed an agreement with the International Contact Group on Liberia (ICGL), an international policy coordinating group of donor and regional governments and multinational institutions. The agreement, the Governance and Economic Management Assistance Program (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. It also supports diverse economic governance and judicial capacity-building measures for the government aimed at institutionalizing the good governance and management capacity-building goals and reforms envisaged under GEMAP. Elements of GEMAP that call for an external management 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. The United States has sent several Treasury Department advisors to Liberia in the areas of budget and tax policy, management, and administration; central bank operations and fiscal policy and regulation; and has assessed Liberia's financial enforcement (financial crime and corruption) capacity. A resident U.S. legal advisor and a temporary duty team of prosecution experts are slated to be deployed to Liberia soon to assist in building Liberia's judicial capacity.

Charles Taylor

The future status of Charles Taylor, an indictee of the Special Court for Sierra Leone (SCSL) for his alleged involvement in war crimes in Sierra Leone, remains in question.¹⁸ The SCSL would like Nigeria, where Taylor is in exile, to transfer him

¹⁸ On Taylor's alleged actions and his departure from Liberia and political power, see CRS Report RL32243, *Liberia: Transition to Peace*. It also discusses Taylor's alleged involvement in illicit diamond trading and links with Al Qaeda, along with CRS Report (continued...)

to SCSL custody. However, when Nigeria, under U.S. and other international pressure, provided him with refuge it stated that it was doing so to aid the Liberian peace process and would not countenance later pressure to extradite Taylor. Nigeria also, however, required him to disengage from Liberian politics, either directly or through proxies. Taylor has reportedly broken these conditions extensively. Many human rights groups, therefore, assert that Nigeria has good reason to surrender him, and that his continued asylum perpetuates a “culture of impunity” for human rights abusers in Africa. Others argue that Taylor’s asylum in Nigeria remains the best way to ensure continued stability in Liberia.¹⁹

U.S. relations with the SCSL have been mixed. Although the SCSL has received \$22 million in U.S. funding and may receive \$13 million in FY2006,²⁰ some State Department officials have questioned the political advisability of actions taken by former SCSL Prosecutor, David Crane, including his unsealing of an indictment against Taylor during peace talks in June 2003, and the accuracy of his claim that Taylor sponsored the January 2005 attempted assassination of President Lasana Conté of Guinea. Such skepticism 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 authorizes UNMIL to arrest Taylor if he returns to Liberia.

On May 5, 2005, President Bush and Nigerian president Olesegun Obasanjo met and discussed the status of Taylor, among other issues. Though few details of the their exchange were reported, prior to the meeting, White House spokesman Scott McClellan called for Taylor “to be held to account for the crimes he has committed,” and stated that the United States and Nigeria are “engaged” in the question of how

¹⁸ (...continued)

RL30933, *Liberia: 1989-1997 Civil War, Post-War Developments, and U.S. Relations*, and CRS Report RL30751, *Diamonds and Conflict: Background, Policy, and Legislation*. In April 2005, the Treasury Department designated Viktor Bout, an accused international arms trafficker, and four associates, including his alleged U.S.-based chief financial officer, Richard Chichakli, as “Specially Designated Nationals” (SDNs) under Executive Order 13348. The action expanded the list of persons designated under the order, which prohibits financial transactions between U.S. persons and these SDNs and freezes any assets of SDNs within U.S. jurisdiction. Executive Order 13348 was issued in order to halt the unlawful depletion, removal from Liberia, and “secreting” of Liberian resources, funds, and property, actions which the order stated were undermining “Liberia’s transition to democracy and the orderly development of its political, administrative, and economic institutions and resources.” Treasury accused Bout of supplying arms to Taylor’s regime and the Sierra Leone rebel group, the Revolutionary United Front, in exchange for payments from Liberia’s international ship registry, diamonds, and other allegedly illegally acquired goods. Treasury Dept., “Treasury Designates Viktor Bout’s International Arms Trafficking Network,” Apr. 26, 2005.

¹⁹ For further background on issues surrounding the Taylor case, see section entitled “Status of Charles Taylor,” CRS Report RL32243, *Liberia: Transition to Peace*.

²⁰ The conference agreement accompanying H.R. 3057 (Kolbe), which became P.L. 109-102, the FY2006 foreign operations appropriation, earmarks \$13 million in Economic Support Funds for the SCSL.

“to address the matter”(White House Press Briefing, May 5, 2005). He also expressed appreciation to Nigeria for facilitating Taylor’s departure from Liberia in 2003, which he said had helped bring peace in Liberia. He did not describe the engagement. His remarks mirrored State Department statements on the issue during the past two-plus years. State Department officials have often called for Taylor to “face justice,” but have generally offered few specific suggestions on how this might be accomplished.²¹ The U.S. position may be changing, however. During a reported telephone call to congratulate Johnson-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.”²² His reported remarks did not, however, specify a venue where such a goal could be achieved.

There is as yet no indication of how the newly elected Liberian government will treat the Taylor case. Some observers believe that Johnson-Sirleaf does not generally support prosecuting those who committed war time atrocities during the 1989-2003 civil wars.²³ Johnson-Sirleaf has reportedly stated that Liberia cannot alone decide whether Taylor should be turned over to the SCSL, and that the international community would “have to be a part of such a decision because they were part of the arrangement that saw Taylor leave for Nigeria.” She reportedly stated that any solution would have to have the specific concurrence of the European Union, the African Union, and West African leaders, with whom she has been meeting during a regional pre-inauguration consulting tour, in part to address “certain national and regional sensitivities.” Her statements are significant because Nigeria has stated that it will only turn Taylor over to an elected Liberian government at the latter’s request. In July, the Mano River Union of Sierra Leone, Liberia and Guinea, issued a joint communique suggesting to Nigeria that the terms of Taylor’s asylum be reviewed or that his status be referred to the ECOWAS Heads of State for further consideration.²⁴

²¹ See, e.g., State Department, Daily Press Briefing, May 5, 2005. At least one State Department official has publicly called on Nigeria to hand Taylor over to the SCSL directly. See Daniel Balint-Kurti, “Wanted for War Crimes, Liberia’s Ex-president Hunkers down in Nigerian Exile,” Associated Press, May 31, 2005. Some sources suggest that National Security Council policy makers on Africa have been reticent to advise that Taylor be transferred to the SCSL because such a transfer could be a potential source of instability for both Sierra Leone and Liberia. A second factor may have been the U.S. commitment to Nigeria to honor the latter’s conditions for accepting Taylor after President Bush stated in 2003 that “Taylor must go” (Press Conference of the President, “President Bush Discusses Top Priorities for the U.S.,” July 30, 2003, *inter alia*), and deference to Nigeria’s views on the matter, given its central role as a regional peacekeeping and political mediating power. In testimony before the House Committee on International Relations during a hearing entitled *Confronting War Crimes in Africa* on June 9, 2004, Howard F. Jeter, former U.S. ambassador to Nigeria, testified that “President Obasanjo acted with our full knowledge and concurrence.”

²² State Department, “Bush Congratulates Liberian President-Elect,” *Washington File*, Nov. 30, 2005.

²³ Jeremy I. Levitt and J. Peter Pham, “Liberia must confront its past if it wants a brighter future,” *The Baltimore Sun*, December 8, 2005.

²⁴ See SAPA-DPA , “Sirleaf Addresses Taylor War Crimes Issue,” Nov. 20, 2005; BBC (continued...)

Congressional Focus

Congress has shown considerable interest in the status of Charles Taylor and has generally, with a few exceptions, shown strong support for the SCSL. It 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.²⁵ P.L. 109-102, the FY2006 Foreign Operations Appropriations bill, reaffirms congressional support for the court. It would limit 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 SCSL. It also requires U.S. support for that goal within the U.N. Security Council. It specifically would, after a period, bar assistance to Nigeria unless the President reports 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. H.Amdt. 480 (Watson) to H.R. 2601, the FY2006 - FY2007 foreign relations authorization act, would require the Administration to seek the expeditious transfer of Taylor to the SCSL for trial.

Congress also provided substantial support for Liberia’s rebuilding and peace building processes.²⁶ U.S. assistance is summarized on the table below. Other congressional interest in Liberia focuses on Liberia-related immigration and debt issues. H.R. 257 (Jackson-Lee), H.R. 2092 (Jackson-Lee), H.R. 3450 (Patrick Kennedy), and S. 656 (Reed) would give permanent U.S. residence status to qualified Liberians resident in the United States, among other measures, as would S.Amdt. 452 (Reed) to H.R. 1268 (Jerry Lewis). H.R. 1130 (Waters) would enact various measures intended to reduce the national debts of certain poor countries, including Liberia, and encourage their governments to fund social services.

²⁴ (...continued)

News, “Liberian Taylor’s Fate Discussed,” Nov. 30 2005; and AFP, “Backed by neighbors, Liberia requests Taylor handover to SLeone war court,” July 29, 2005.

²⁵ The European Parliament passed a similar resolution in February 2005.

²⁶ An Administration Economic Support Fund (ESF) FY2006 budget request for \$75 million for Liberia, however, was not included an earmark for Liberia in P.L. 109-102 (formerly H.R. 3057, Kolbe, the FY2006 foreign operations appropriations bill). Any ESF funding for Liberia is likely to be drawn from \$88 million in general ESF funding designated for Africa. P.L. 109-102 also mandates special congressional notification reporting for the expenditure of funds used to assist Liberia.

Table 1. U.S. Assistance to Liberia, FY2004-2006
(\$ millions; errors due to rounding)

Account	FY2004 Actual	FY2005 Estimate	FY2006 Request*
Child Survival and Health Program (CSH)	2.82	4.47	2.90
Development Assistance (DA)	-	6.85	7.86
Economic Support Fund (ESF)	-	24.80	75.00
Foreign Military Financing (FMF)	-	2.98	2.00
International Disaster & Famine Assistance (IDFA)-Supplemental	200.00	-	-
Int. Narcotics Control & Law Enforcement (INL)	-	5.00	2.00
Nonproliferation, Antiterrorism, Demining & Related Projects-Small Arms & Light Weapons (NADR-SALW)	0.16	-	-
Africa Regional Peacekeeping (PKO; estimates)	NA	25.00	20.00
P.L. 480, Title II [emerg. Food aid] ^a	21.53	22.50 ^b	NA ^a
USAID/Office of U.S. Foreign Disaster Assistance (OFDA) [emerg. humanitarian aid] ^a	23.60	9.71 ^b	NA ^a
Transition Initiatives	3.1	2.53	4.6
State Dept., Bureau of Population, Refugees & Migration (PRM)[refugee, IDP aid] ^{a/c}	22.80	28.19 (est.) ^c	NA ^a
Totals - Bilateral Aid	274.01	132.03	114.36
U.N. Mission in Liberia (UNMIL)/ Contribs. to Int. Peacekeeping Account (CIPA)	290.34	129.00 ^d	159.21
Totals - All Funding	564.35	261.03	273.57

Sources: State Department, *Congressional Budget Justification for Foreign Operations*, FY2006 and other fiscal years; USAID, *Congressional Budget Justification*, FY2006 and other fiscal years; and information from USAID/OFDA, State/PRM, and State/Political-Military Affairs officials.

*P.L. 109-102, the foreign operations FY2006 appropriation act, which was signed into law on November 14, 2005, does not specify aid levels for Liberia, though it requires that the Committees on Appropriations be notified if funds appropriated under the act are used to assist Liberia. Specific assistance levels for Liberia will be finalized pursuant to requirements in the Foreign Assistance Act of 1961 and the FY2006 Foreign Operations appropriations regarding Administration aid allocation decisions, and through executive-congressional consultations.

Notes

a. These figures reflect appropriated levels, but some accounts, such as P.L. 480, Title II, OFDA, and PRM levels, often increase during a given fiscal year because they are appropriated in a lump sum and allocated throughout the year in response to emergent needs.

b. Levels to date.

c. The State/PRM \$28.19 million FY2005 figure is an estimate. In general, State/PRM funding is difficult to break out by Liberia-only levels because PRM funds refugee camps in third countries that may house people of different nationalities, including Liberians. The table data are the closest estimates PRM can provide for Liberia-specific spending.

d. UNMIL FY2005 CIPA Budget: \$229.716 million; bills received as of Sept 8, 2005 were \$129 million.

Appendix 1: Acronyms Used in this Report

AFL:	Armed Forces of Liberia
AGOA:	African Growth and Opportunity Act
CDC:	Congress for Democratic Change, Liberian political party
CIPA:	Contributions to 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
ECOMIL:	ECOWAS Mission in Liberia
ECOWAS:	Economic Community of West African States
ESF:	Economic Support Fund
FMF:	Foreign Military Financing Account
GEMAP:	Governance and Economic Management Assistance Program
GIHL:	Global Infrastructural Holdings Limited
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
INL:	International Narcotics Control & Law Enforcement
IRI :	International Republican Institute
LP:	Liberty Party, Liberian political party
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
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
SCSL:	Special Court for Sierra Leone
SDN:	Specially Designated National
SSS:	Special Security Service (of Liberia)
TI:	Transition Initiatives Account
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
USTR: Office of the U.S. Trade Representative