

Foreword

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In Liberia, we face a paradox similar to that of many post-conflict developing countries described in this book: our country is endowed with rich natural resources, yet our people live in poverty. The story of Liberia's recent history is well known. Despite our abundant natural heritage, for fourteen years Liberia was ravaged by a horrific civil war that disintegrated the nation and brought us near the bottom of the United Nations' Human Development Index. By 2003, our economy had collapsed, our infrastructure was destroyed, and our young people knew only war and want. And once again we faced a paradox: our timber, minerals, and other natural resources promised a way out of poverty and conflict, but they also threatened to pull our country back to the destructive path of patronage, corruption, and violence.

When I became President, in 2006, we faced herculean challenges of where to start the transition from war to peace, from devastation to recovery. Although the transitional government had made important steps, unemployment was at an all-time high, and inflation was driving up food and fuel prices. The war had devastated our economic structures and undermined the government's capacity to implement the sound economic policies necessary to recover. The diamond and timber sectors, key sources of revenue for the country, were frozen under UN sanctions. A whole generation of children was traumatized and had missed the opportunity to go to school. We needed to reintegrate former soldiers and find a way for almost one million Liberians to return home. We had inherited an entrenched, criminalized value system—a system in which impunity and mismanagement of our natural resources had been the norm.

Peace brings promise, and with it high expectations—especially in a country with abundant natural resources. We needed to provide for the basic needs of our people, give them jobs, rebuild our economy, restore governance and government, and reweave the fabric of society. The revenues from our diamonds and timber had been used to fuel conflict, yet we knew that to move our country forward, we had to turn this natural resource “curse” into a blessing. But where to start?

Throughout Liberia, our abundant natural resources offered the promise for consolidating peace and building a better future for our country and our people. Diamonds, iron ore, gold, and other minerals are among Liberia's many buried treasures. Above the soil, millions of hectares of valuable forests cover our landscape. And beneath the sea, our offshore continental shelf may well harbor oil and gas. We needed to figure out how to manage these resources for the

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transition to peace. We needed to harness these resources to provide our people with tangible peace dividends in the form of jobs, schools, and improved living standards. At the same time, we had to devise a way to reverse the entrenched corruption and mismanagement in order to prevent a relapse into war. While we had considerable international support, we had no model to follow for how to put back the pieces of our broken country.

In order to fulfill the promise of our natural heritage, we realized that better management of natural resources had to become a centerpiece of Liberia's postwar development strategy. A large part of the problem lay in the lack of information about money that companies extracting timber and other natural resources had paid to the government. This money belonged to all the citizens of Liberia, not just to the rulers, business elites, and soldiers.

I vowed to ensure national growth, development, and reconciliation through accountable management of our extractive industry and the revenue it generates. To put this principle into practice, we immediately took steps to rein in uncontrolled extraction of our natural resources and to combat the cancerous vice of corruption. We continued the efforts of the Governance and Economic Management Assistance Program begun by the transitional government; joined the Kimberley Process; established the Land Reform Commission; reformed the timber sector from top to bottom; and joined the Extractive Industries Transparency Initiative (EITI).

My first executive order, in February 2006, cancelled all timber concessions until new standards could be put in place. Six months later, we passed a pioneering new forestry law that provides for sustainable and beneficial use of Liberia's forests. The new law helps ensure that local communities play an active role in approving timber contracts, monitoring timber operations, and benefiting from timber revenues. To overcome the legacy of mistrust, we have made a special effort through the Liberia EITI to be inclusive by widely publicizing revenues from the mining, petroleum, rubber, and forestry sectors.

Trust is the greatest asset that any country can have. After war, however, trust was perhaps our scarcest resource. By restoring transparency, empowerment, and accountability in our core natural resource sectors, we have started to rebuild that trust. These efforts are central to Liberia's conflict reduction strategy.

In reforming management of our high-value natural resources, we are finding our way along the path from conflict to peace and sustainable development. We are not alone on this path. This book examines many of the initiatives that Liberia has undertaken, as well as experiences from other countries. When Liberia was first emerging from conflict, we had no model and little guidance for how to transform our natural resource sectors to rebuild our country. This book provides valuable insights for making peacebuilding more effective through natural resource management. As we learned directly, timber and other high-value natural resources were important for a surprising number of the tasks we faced in rebuilding our country. The experiences and analyses in this book are an essential resource for everyone working in post-conflict peacebuilding. I only wish that this book had been available when I became President.