



Foreword

by Ellen Johnson Sirleaf, President, Republic of Liberia

As we clearly articulated in our *Lift Liberia* Poverty Reduction Strategy, economic revitalization remains one of our four strategic pillars for poverty reduction. Consistent with our commitment to poverty reduction and in line with our economic growth and sustained development efforts, we announced at the onset of our administration a national policy to review all major concession agreements in the country. We made clear that this policy of review would apply to all sectors of our economy and was not an exercise to target specific industries or companies. Our policy of concession contract review was further supported by Liberia's international partners and donor community under the Governance and Economic Management Assistance Program for Liberia signed by the former National Transition Government of Liberia.

Among many competing demands, and with uncertainty in some quarters about the likelihood of success for our efforts, we dedicated ourselves to a critical examination of our largest investment contracts, and undertook the process of renegotiating those agreements we believed could be revised to better serve our country. In the contracts covered by this report we were able, through our negotiation efforts, to secure stronger fiscal terms, increased revenues to the government, and additional employment opportunities for our people. In one contract, we were able to negotiate the transfer of ownership of the Buchanan port, an important piece of our national infrastructure, back to government while retaining investor commitment to rehabilitate the port.

Our constructive engagement with private sector partners in these renegotiations has successfully secured a better deal for our nation and people, while also bolstering trust and building investor confidence in our administration. We aggressively pursued a better deal for Liberia, but we were also careful to make certain that the renegotiations did not threaten the viability of the companies' investments and represented an opportunity for a better long-term working relationship between the companies and government.

The renegotiation process was not without its challenges, and offered us an opportunity to take a critical look at processes we use for negotiating major concession agreements. It provided

us a chance to examine the legal and policy frameworks supporting the negotiation and the implementation of concession agreements in Liberia. The process also allowed us to look at the policy and institutional linkages between increased revenues from concession contracts and our commitment under our poverty reduction strategy to pro-poor policies and sustained economic development at the community level. In this regard we were able to successfully increase revenue commitments for local communities in both contracts studied by the report. These revenue commitments came in the way of local community funds, support to local industry, and increased investor spending on social benefits and infrastructure for the affected communities. Our challenge, going forward, will be to ensure compliance with the terms of the renegotiated agreements through effective monitoring of both the fiscal and non-fiscal aspects of the contracts. We also want to make certain that the lessons learned during this process become institutionalized through our capacity development and legal reform efforts so that similar benefits can be achieved through all future negotiations. Through the generous support of the Revenue Watch Institute, this report was undertaken and comprehensively documents and examines the renegotiation processes we used, and offers some useful recommendations for institutionalizing the gains we experienced.

The report has served to further discussions within the government on the concession negotiation process. We are also using it to support of our efforts to, among other things, institutionalize the gains from our renegotiation activities through the revision of our Public Procurement Concessions Act. As we pursue our reform agenda, work to revitalize our economy and bring economic growth to our people, it remains important that we document and analyze the processes we use so that we leave a legacy of increased institutional capacity and best practices geared to Liberia's sustainable development. This report represents an important contribution to this effort.