

# CRS Report for Congress

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## Liberia's Post-War Transition: Key Issues

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### Summary

Liberia appears on course to hold elections in October 2005, a key goal of a peace accord signed in August 2003. It ended Liberia's second civil war in a decade, and led to the current post-war transition process, which is U.S.-aided. Liberia's security situation is stable but subject to periodic volatility. Humanitarian conditions are improving. Progress on governance has been mixed. The case of Liberia's former president, Charles Taylor, a war crimes indictee living in exile in Nigeria, remains unresolved. This periodically updated report augments CRS Report RL32243, *Liberia: Transition to Peace*. It contains further background on the topics discussed below.

**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 in Liberia. 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.

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.

**Transition Process.** The August 2003 Comprehensive Peace Agreement,<sup>1</sup> signed by the three warring factions and 18 political parties, laid out a peace process, provided for the creation of the NTGL, and allocated leadership positions within it. The NTGL is mandated to re-establish functioning government authority and prepare for elections slated to be held in October 2005. It consists of an executive branch, presided over by a Chairman, Gyude Bryant, and an interim parliament, the National Transitional Legislative Assembly (NTLA). 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 faces many challenges, most related to the extremely destructive effects of many years of war in Liberia; the dominant role within the NTGL of the three former armed factions, which are prone to internal rivalries; political discord over the allocation of state positions and resources; very limited state capacities; and reported public sector corruption.

**Elections.** Elections are slated to be held October 11, 2005. Preparations for the vote are reportedly progressing well. About 1.2 million voters were registered from April 25 to May 21, 2005. Registration results are to guide decision-making about the location and number of polling places, the distribution of electoral materials, and parliamentary districting. Some incidents of threats or violence, related to voter ineligibility and ex-combatant demands for disarmament payments, were reported at some registration centers, and some foreigners, seen as factional allies, attempted to register. Some observers are concerned that the large number of presidential candidates (over 50 persons may try to run ) and registered political parties (there are 30, and more may try to register) could prove confusing for voters and counter efforts to build national unity. The reported attempt by some NTGL ministers to try to run for office in the 2005 election, in violation of the 2003 peace accord, sparked controversy. UNMIL elections staff and U.N. agencies are supporting media outreach and civic education; technical tasks; and electoral security coordination, together with the national police. The United States has provisionally allocated \$10 million to support the elections process, including programs of the National Democratic Institute (civic education); the International Republican Institute (political party training); and IFES (elections technical assistance). UNMIL has pledged \$8 million of elections assistance, and the European Union has pledged \$1 million.

**Security.** Liberia's security situation has improved markedly since August 2003 but remains subject to periodic volatility and localized instability. About 103,000 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. Recent price increases for rice, fuel, and cement could broaden social dissatisfaction. U.N. and U.S. officials and many members of Congress are concerned about persistent, credible reports that Charles Taylor is interfering in Liberian affairs from exile in Nigeria through a network of political,

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<sup>1</sup> Agreement text available from U.S. Institute of Peace [<http://www.usip.org/library/pa.html>].

military, and business associates. These alleged actions are seen as destabilizing and threatening to the peace process. Taylor denies his involvement in such activities.

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 program through two contractors: DynCorp International and PAE, a U.S. military logistics and support services firm, in coordination with U.S. military trainers. DynCorp is to help vet, recruit, and provide basic training of the new force. PAE will provide equipment, logistics, and base services. The training package is currently projected to cost about \$85 million, drawn from International Disaster and Famine Assistance, Regional Peacekeeping, and Foreign Military Assistance FY2004, FY2005, and FY2006 funds. The effort has been hindered by a need to decommission and pay severance stipends to about 13,000 former Armed Forces of Liberia (AFL) members before training begins. This process has been delayed due to payment eligibility verification requirements and by a lack of funding. Costs are estimated at between \$8-\$10 million for pre-1990 AFL recruits and \$5.5 million for post-1990 soldiers.

The United States is also 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, 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 funding for this purpose is currently lacking. 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 and is highly donor-dependent, but is gradually transitioning away from a need for emergency aid. International assistance is increasingly supporting resettlement and socio-economic recovery. Since late 2004, over 100,000 internally displaced persons and refugee returnees have been resettled and reintegrated into permanent places of residence. Most have received resettlement packages consisting of basic non-food items, a transport stipend, and two 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.

**Governance.** Progress in the area of governance has been mixed. While the NTGL is basically functional, there has been only “limited progress” in the restoration of state authority and the rehabilitation of state institutions, according to U.N. (S/2005/177) and other reports. Revenue, customs, immigration, and local officials are gradually being deployed to localities outside Monrovia, but this process, as well as the efficacy of central government ministries, is hampered by widespread resource constraints, and lack of institutional and financial system capacities and trained manpower.

Among the most challenging issues facing current governance capacity-building efforts are continuing 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 other bilateral donors have made similar observations and called for transparency measures.<sup>2</sup> U.N. experts and donor governments have questioned the propriety of a recent monopsony diamond concession deal with a previously unknown firm. Some observers also question the NTGL’s award of offshore oil exploration permits to three relatively obscure firms just prior to elections, and the NTGL expenditures on travel and vehicle for officials have drawn criticism from several quarters.

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 control in late April 2005. In addition, the 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 there appears to be resistance among some Liberian officials to donor and ECOWAS-backed transparency and audit measures. A recent African Development Bank loan was reportedly not disbursed 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.

A set of proposals, dubbed the Liberia Economic Governance Action Plan, is under consideration by donor governments and the NTGL. It would provide 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 centralized Liberian government controls over state revenues. It would also support diverse transparency and judicial capacity-building measures. The NTGL reportedly rejects elements of the plan that would mandate an external management role, on sovereignty grounds, but would support capacity-building assistance. Donors, however, including the United States, reportedly will require strict conditionality over future assistance to Liberia. The United States has deployed 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. The United States is reportedly pursuing talks with the international financial institutions and other donors to examine ways to condition international assistance to Liberia on its acceptance of compulsory management and auditing contracts. These might cover state revenue receipt

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<sup>2</sup> IRIN News, “Liberia: World Bank Says Tougher Action Needed to Tackle Corruption,” Feb. 21, 2005.



and expenditure functions, both within the executive branch and in specialized agencies — notably those that administer import-export and customs functions at ports and airports — and those that help regulate the marketing of key commodities, such as fuel and rice.

Concerns over transparency are widely seen as underpinning sometimes halting and conditional provision to Liberia by donors of commitments of pledged aid, as well the reticence of some to offer new commitments to fund unmet needs. 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.

**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. The SCSL would like Nigeria, where Taylor is in exile, to transfer him to SCSL custody. When Nigeria provided him with refuge, however, 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 extensively broken these conditions. 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, granted after considerable U.S. and international pressure, remains the best way to ensure continued stability in Liberia.

U.S. relations with the SCSL have been mixed. While it has received \$22 million in U.S. funding, some State Department officials have questioned the advisability of actions taken by 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 state cooperation with the SCSL. A related question is whether UNMIL should be empowered to arrest Taylor, if he returns to Liberia. The United States will reportedly support a Security Council Resolution providing such authority to UNMIL. On May 5, 2005, presidents Bush and Obasanjo met, and discussed the status of Taylor, among other issues. 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 “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 what such engagement entails. His remarks closely mirrored State Department statements on the issue during the past two years.

**Congressional Focus.** Congress has shown considerable interest in the status of Charles Taylor, and has generally, with a few notable 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 SCSL, and in May 2005, the House and Senate passed H.Con.Res. 127 (Royce); it urges the same outcome. Congress also provided substantial support for Liberia's rebuilding and peace building processes. Levels of U.S. assistance for this purpose are summarized on the chart below. Other Congressional interest in Liberia focuses on Liberia-related immigration and debt issues. H.R. 257 (Jackson-Lee), H.R. 2092 (Jackson-Lee), and S. 656 (Reed) would give permanent U.S. residence status to qualified Liberians resident in the United States, among other measures, as S.Amdt. 452 (Reed) to H.R. 1268 (Jerry Lewis) also sought to do. 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.

### U.S. Assistance to Liberia, FY2004-2006

(\$ millions; errors due to rounding)

Account	FY2004 Actual	FY2005 Estimate	FY2006 Request
Child Survival and Health Program Fund (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] <sup>a</sup>	21.53	20.35 <sup>b</sup>	NA <sup>a</sup>
USAID/Office of U.S. Foreign Disaster Assistance (OFDA) [emerg. humanitarian aid] <sup>a</sup>	23.60	2.5 <sup>b</sup>	NA <sup>a</sup>
State Dept., Bureau of Population, Refugees & Migration (PRM)[refugee, IDP aid] <sup>a/c</sup>	22.80	28.50 (est.) <sup>c</sup>	NA <sup>a</sup>
<b>Totals - Bilateral Aid</b>	<b>270.91</b>	<b>120.45</b>	<b>109.76</b>
U.N. Mission in Liberia (UNMIL)/ Contribs. to Int. Peacekeeping Account (CIPA)	290.34	89.34 <sup>d</sup>	159.21
<b>Totals - All Funding</b>	<b>561.252</b>	<b>209.79</b>	<b>268.98</b>

**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.

#### Notes

- P.L. 480, Title II, OFDA, and PRM levels for FY2006 and final levels for FY2005 levels are not yet known; these accounts are allocated throughout the year in response to emergent needs.
- Levels to dates.
- The State/PRM \$28.50 million FY2005 estimate is a very soft projection subject to substantial change. 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.
- UNMIL CIPA Request for FY2005 is \$215.131million; bills received to date are \$89.34 million.