There are striking historical parallels between Liberia and Somalia from the authoritarian and conflict period to the period of re-engagement with the international community. The similarities include: long periods of authoritarian and undemocratic rule with both countries having a former military man at the helm; gross mismanagement of the economy that led to economic troubles, including the inability to service external debt; the breakout of conflict, its subsequent protraction and the continual accumulation of external debt arrears throughout the conflict period; and a sustained period of re-engagement with the international community that includes both countries foray into the debt relief process.

However, despite these historical parallels and similar starting points at the start of their re-engagement process, a marked difference is in the duration of the debt relief process. In a little over two years from the start of its first SMP, Liberia was able to have its arrears cleared and qualify for the Heavily Indebted Poor Country (HIPC) debt relief and in a little over two additional years, it obtained debt cancellation for almost 100% of its Paris Club debt, 97% of its commercial debt and 90% of its multilateral debt. In contrast, Somalia is making slow progress, as the country has not qualified for debt relief six years on from when it began its re-engagement process.

The Somalia NGO Consortium’s (SNC) Debt Cancellation Advocacy Working Group has commissioned a briefing paper titled Liberia Lessons: Enhancing Somalia’s Debt Relief Process to examine similarities and differences between Somalia and Liberia in their engagement in the debt relief process. The briefing paper:

- Provides a brief introduction to the historical context of each country and how the external debts of Liberia and Somalia evolved overtime;
- Briefly examines Liberia’s economic performance and its current external debt situation post-HIPC.
- Lays out Liberia and Somalia’s engagement in the debt relief process.
- Presents the four key success factors – progress towards a durable cessation of violence and socio-political stability,
human and institutional capacity, political leadership and the support of a champion - that facilitated the acceleration of Liberia's debt relief process and compares how Somalia fares in those factors;

• Ends by drawing some conclusions from both countries' debt relief experiences and provides lessons learned from the Liberian case in both the pre- and post-Decision Point1 and post-Completion Point2 periods.

The paper aims to draw useful insights and lessons learned from the Liberian experience that if applied could help Somalia and its development partners to ensure a quick and smooth debt relief process and help avoid some of the pitfalls Liberia experienced during its post-Completion Point period. The paper finds that, with respect to the key success factors, Liberia and Somalia's experience were comparable, with the exception of one factor (the support of a champion), which can partly explain Somalia's sluggish debt relief process in comparison to Liberia. This finding suggests that, if Somalia is to have an expedited debt relief process that restores access to additional grant and concessional resources and private investment inflows, an influential country should assume the role of a champion. There are many Liberian lessons for Somalia both during the pre-and post-Decision Point and post-Completion Point periods. They are as follows:

**Lessons from Liberia’s pre- and post-Decision Point periods:**
• Consolidate gains in peace and security;
• Sustain improvements in economic governance, institutions and policymaking;
• Enhance political engagement in the debt relief process;
• Mobilize resources for IFI debt relief operations (arrears clearance, HIPC and MDRI-like Debt Relief);
• Develop strategies and forge alliances to generate political momentum and consensus for expedited and deep debt relief;
• Cultivate stronger relationships with influential creditor governments to secure a champion.

**Lessons from Liberia’s post-Completion Point period:**
• Continue efforts to establish and implement sound public debt management framework, strengthen institutional debt management capacity and ensure debt sustainability;
• Develop a robust public investment pipeline under National Development Plan (NDP) 9 and ensure that borrowing is used for productive purposes;
• Continue efforts to improve the overall business climate to sustain FDI inflows.

1 The Decision Point is the point in which the Board of Executive Directors of IFIs qualify a country for debt relief (see Somalia NGO Consortium 2018. Debt Cancellation for Somalia: The Road to Peace, Poverty Alleviation and Development for more details).

2 The Completion Point or Floating Completion Point is the point at which external creditors provide irrevocable debt relief and requires the completion of additional IFI conditionalities (see Somalia NGO Consortium 2018. Debt Cancellation for Somalia: The Road to Peace, Poverty Alleviation and Development for more details).