

The REGULATOR

Promoting financial inclusion, consumer protection and financial sector development

Liberians Welcome New Money



In This Issue:

- 2022 In Review
- New \$500, L\$1,000 Arrive
- Return of the Coins
- Security Features of New Currency

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In This Issue From The Governor's Desk

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The Central Bank of Liberia began the year 2022 with the infusion of the second tranche of L\$4 billion of the new banknotes into the economy. The infusion took place through the banking system, consistent with Joint Resolution 001/2021 of the National Legislature which, in May 2021, authorized the CBL to print L\$48.734 billion of a new family of Liberian currency to replace the existing banknotes.

Resolution 001/2021 also stipulated that the new family of Liberian currency would include L\$5 and L\$10 coins, while the L\$1,000 banknote would be introduced into Liberia's currency for the first time. The existing L\$500 banknote was re-designed, incorporating the image of the seven (7) designers of the Liberian Flag.

The currency reform program got into full swing with the arrival of the new L\$20 and L\$50 in October 2022, gathering momentum in November and December 2022 when the coins, and the new L\$500 and L\$1,000 banknotes were delivered into the country. By the end of 2022, more than L\$34 billion had been delivered, with the balance to be delivered in 2024, since there will be no printing and delivery of new Liberian currency in 2023, in keeping with the Joint Resolution of the National Legislature.

Therefore, the year 2022 can rightly be considered the *Year of the New Family of Liberian Currency*, which is also the theme of this edition of the *Regulator*.

CEBSA Hails CBL Management for Supporting Its Projects -Cont'd from page 38

“Management gives us subsidies every quarter to help CEBSA become more sustainable but, looking at the challenge, including the number of projects we have to run and a lot of things to do..., we said that the demand of our staff is the loan,” he said.

“We realized that we needed to be more strategic, so that if we have the opportunity for management to give us these subsidies, we would put more money into our loan portfolio, to enable us to lend money out at an interest rate of 8% and make sure that the funds for the loans are more like a revolving cash. We would then be able to pay back the loan with the interest and give it back to others.

“We decided that the loan portfolio will not be touched because if you want to grow something you have to nurture it. Our concern was therefore to nurture the loan fund until it reached to a point where it would run itself.”



CEBSA Basketball Team that took part in the 2022 Bankers' League



CEBSA officials (background) during one of their outreach activities



CEBSA Kickball Team at the 2022 Bankers' League

Due to the size of the current loan portfolio, CEBSA president says that the amount of cash that is loaned out to an individual employee has increased from a maximum of US\$500 to US\$1,000, while US\$2,000 may be given to an employee on a dispensation basis, based on the employee's "pressing situation".

Meanwhile, Mr. Colduo distributed free shopping coupons amongst employees and contractors during the festive season, with employees getting US\$40 coupons while contractors and consultants received US\$20 coupons. He added that this was CEBSA's way of celebrating the holiday season with its members.

In addition to the free holiday shopping coupons for employees, he said all-year-round shopping coupons are also available for staff, with 10 percent discounts on staff purchases.

“The coupon has 10% off – which means, if a staff took US\$100 coupon and went to shopping at the Harbel Supermarket, that staff will take US\$100 items, but the person will only be charged US\$90,” he said.

Outlining CEBSA's progress on the sporting front during 2022, Mr. Colduo recounted their participation in the 2022 Bankers' League in which CEBSA clinched the first runners-up title in the football category, won the third place in the basketball edition, and put up a good show in the kickball category.

CEBSA Hails CBL Management for Supporting Its Projects

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“For items between US\$1 and US\$499 that a staff takes, payment will be made in one month; from US\$500 to US\$699, the payment period is two months and from US\$700 to US\$999 the payment period is four months and for US\$1,000 worth of items that a staff takes, the payment period is five months. CEBSA also has an agreement with Ezone, which allows staff to acquire building materials of all kinds, with the same payment plans as with the electronic appliances, Mr. Colduo disclosed.

Asked why CEBSA opted to make building materials and home appliances as priorities for its credit scheme, Mr. Colduo said the decision stemmed from the desire of many employees seeking to either construct their own homes or complete an existing one.

“We realized that management has done different things to help employees benefit but we also realized that if a staff decided to take building materials, we think it will actually benefit that staff in the future after the staff’s service with the Bank,” he said.

“We also realized that many staff members were looking to have their first house, while some had incomplete houses, so when we had the conversation with them, we agreed that making these materials available for them through credit was important”.



Deputy Governor Dukuly in action for the CEBSA during the 2022 Bankers Tournament

During the year, CEBSA also completed negotiations with the administration of the Liberia Institute of Public Administration (LIPA) to provide education opportunities for staff who are interested in studying banking-related courses at the Institution. The agreement allows for CEBSA to cover 25% of an employee’s tuition fee.

“We refer to this project as the staff professional capacity development and our intent was to have conversation with lots of institutions, including the Banking Institute of Liberia (BIL), and Cuttington University but we were able to conclude with LIPA and signed a Memorandum of Understanding (MoU). We have also made arrangement for tuition payment plans for staff who are attending LIPA,” he said.

Staff are to pay their tuition in three or four installments, which makes it much easier, based on our capacity as a staff association, according to the Memorandum of Understanding. Speaking on the financial progress of CEBSA since his ascendancy as president in 2019, Mr. Colduo disclosed to the **Regulator** that the size of employees’ loan portfolio has grown from US\$3,000 to a staggering US\$150,000. Asked how the loan portfolio increased, he again thanked the management for its consistent interventions.



CBL Football Team at the 2022 Bankers' League

PAPSS Goes Live!



(Left to right) Central Bank of Liberia Executive J. Aloysius Tarlue, Jr. with the 2nd Deputy Governor of the Bank of Ghana Mrs. Elsie Addo Awadzi

Businesses and individuals in Africa will be able to undertake cross border business transactions in their own local currencies, thanks to a new Pan-African Payment & Settlement System (PAPSS) that was launched at Kempeski Hotel in Accra, Ghana, by the Vice President of Ghana, Dr. Mahamadou Bawumia, on 13 January 2022, on behalf of the President of Ghana, His Excellency Nana Akufo-Addo.

Attending the event were a host of distinguished personalities, including former presidents Olusegun Obasanjo and Mahamadou Issoufou of Nigeria and Niger, respectively; as well as His Excellency Felix Tshisekedi, President of the Democratic Republic of Congo; Nigeria Central Bank Governor Mr. Godwin I. Emefiele; and Afreximbank President Prof. Benedict Oramah. CBL Executive Governor, J. Aloysius Tarlue, Jr. headed the CBL delegation to this historic ceremony.

The PAPSS is a financial market platform aimed at accelerating trade in all the African Union member states. It is an easier, more convenient, and secured payment platform, designed to ensure instant payments in local currencies for goods and services between and among African countries. It aims to effectively eliminate the need for third-party currencies and offers speed, simplicity, and access to new markets. It also minimizes foreign exchange costs and supports the accumulation of international reserves by member states.

Commercial banks and other financial institutions that have accounts with their central banks will have access to the PAPSS Platform to effect pre-funding.

PAPSS

targets both small enterprises and individuals, and is not designed to compete with, or replace any existing payments system platforms. It will facilitate connectivity at a continental level, bringing all payment systems together into one network that is interoperable, efficient, and affordable. It seeks to promote the stability of domestic currencies and intra-regional payments.

PAPSS was made possible by the collaborative working of the Afreximbank, the African Union Commission (AUC) and the African Continental Free Trade Area (AfCFTA).



Left to Right: Former President of Niger, Mahamadou Issoufou; Vice President of Ghana, Dr. Mahamadou Bawumia; Former President of Nigeria, Olusegun Obasanjo; First President of PAPSS, Mike Obadu; and Governor of the Central Bank of Nigeria, Godwin Emefele



(Middle) CBL Deputy Governor for Economic Policy, Dr. Musa Dukuly

CBL Bids Farewell to Resident Advisor Conteh



Dr. Patrick Saidu Conteh — Outgoing CBL Resident Advisor

Prior to his appointment, Dr. Conteh served as Governor of the Bank of Sierra Leone. As Governor, he instituted wide ranging reforms to improve the Bank of Sierra Leone’s operations and policy processes. He is also credited for the fiscal policy reforms that turned around the economic recession caused by the Ebola Virus Disease and the collapse of iron ore prices when he served as Sierra Leone’s Minister of State for Fiscal Affairs in the Ministry of Finance and Economic Development. His mandate at the time included responsibility for the government’s budget and the oversight of Sierra Leone’s Extended Credit Facility Program with the International Monetary Fund (IMF).

At the farewell lunch in his honor, CBL Executive Governor, J. Aloysius Tarlue, Jr., praised Dr. Conteh for his contribution to CBL’s reform agenda, including developing an enhanced monitoring framework for the Bank’s Strategic Plan, as well as reviewing and enriching several policy documents aimed at improving governance, internal controls, and enterprise risk management at CBL.

Dr. Conteh described his work at CBL as a rewarding experience, especially given the similarity between Sierra Leone and Liberia, which provided opportunities for both countries to share experiences and learn from one another. He promised to return to help CBL when needed and also to keep his doors open to the CBL Management and staff.

CBL held a farewell lunch at the end of February 2022 to honor Dr. Patrick Saidu Conteh, who served as CBL’s Resident Advisor from May 2021 to February 2022. He was hired by USAID-Liberia under the Liberia Economic Policy Dialogue Activity (LEDPA). During his engagement with the Bank, he worked with all segments of the Bank, providing technical and policy advice, including the Bank’s monetary policy. He also provided technical guidance on implementing CBL’s three-year (2021-2023) Strategic Plan.

Dr. Conteh assisted CBL in the delivery of its reform agenda, with a focus on speedy restoration of confidence in the Bank and Liberia’s monetary and financial sector.



Executive Governor Tarlue (right) making remarks during the farewell ceremony for Dr. Conteh (second from the right)

CEBSA Hails CBL Management for Supporting Its Projects

The leadership of the Central Bank of Liberia Staff Association (CEBSA) has disclosed that it will introduce its “Cement Loan” Project after completing a major deal with the management of CEMENCO. CEBSA president, Mr. Emmanuel P. Colduo, made this disclosure during an exclusive interview with *The Regulator* in December 2022. During the interview Mr. Colduo also spoke on a wide range of achievements his organization made during 2022.

“We had a conversation and reached a deal with CEMENCO, and this gave us an opportunity to get the company’s wholesale price for our members to take cement on credit,” said Mr. Colduo, adding that CEBSA is “also encouraging staff to get involved with the retailing of cement as a means of providing an alternative source of revenue for their family and ensure financial stability amongst staff”.

“In our wisdom, we give you the cement loans and we help you get the zinc and other building materials to ensure that you complete your project – building your structures, and then you can go and get your home appliances,” the CEBSA president said, citing this as an objective of his administration to support the progress of its members.



CEBSA officials during their installation ceremony

Mr. Colduo then thanked the management of the CBL for supporting CEBSA, by ensuring that all the association’s projects, including the cement loans, were achieved during 2022.

“The staff association is very grateful to management for the supporting arm they have provided us always,” Mr. Colduo stressed. “In all of our activities, the CBL management has been very much cooperative, and we appreciate working with them – their support will always be remembered.”

In addition to the cement loan project, the CEBSA president also named several projects that they have achieved, including the provision of interest free credit for home appliances, building materials and staff financial support at the Liberia Institute of Public Administration (LIPA).

The interest free credit scheme allows staff to acquire building materials, electronic appliances, and other household items, and pay by salary deduction within a reasonably arranged period with Ezone – a local business which has outlets across Monrovia and its environs.



(L-R) CEBSA officials, along with Mr. Najib Tannous, Proprietor of Harbel Supermarket during one of the meetings that sealed the deal for CBL staff.

Know Your New Money – The Security Features

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See Through Features



The see-through features show fragments of the Liberian star on the front and back. When the note is held up to the light, the front and back patterns result in a complete image of the “Liberian star”.

Features for Visually Impaired



To aid the visually impaired, raised ink on the sides of the banknotes can be felt when running your fingers over the edges of the banknotes, to distinguish between different denominations. These features are intended to help visually impaired people identify each banknote. This means they will be able to tell the difference between a L\$20 banknote and a L\$50 banknote, or a L\$100 banknote and a L\$500 banknote or a L\$1000 banknote, just by touching the money. For example, the L\$20 banknote has three pairs of lines in an ascending order.

Micro Text



Microtext is visible under magnifying glass. Note that this feature cannot be seen with the naked human eye. You will have to use magnifying glass. Once the magnifying glass is used, some texts that are not seen just by looking at the banknote will be seen clearly.

The significance of identifying and understanding the basic security features on the new banknotes is to avoid the infusion of fake or counterfeit money on the Liberian market.

While there may not be much concern about counterfeiting the coins, the new coins do also have a unique security feature. This is the latent image which can be found under the portraits. When held to the light, you see the denomination and the Lonestar in the background.

This feature is also explained on the posters and flyers circulated by the CBL, on jingles, the CBL website and the banknote app.

Microtext is visible under magnifying glass. Note that this feature cannot be seen with the naked human eye. You will have to use magnifying glass. Once the magnifying glass is used, some texts that are not seen just by looking at the banknote will be seen clearly.



February 2022

RSD Director Re-elected Chairman of CSWAMZ

The Director of CBL’s Regulation and Supervision Department, Mr. Fonsia Mohammed Donzo, was re-elected chairman of the Colleges of Supervisors for Banks and Non-Banks (CSNBFI) of the West Africa Monetary Zone (CSNBFI) during the 41st meeting of the College of Supervisors for the West African Monetary Zone that was held February 21 – 24, 2022. Prior to that, Mr. Donzo was elected Chairman of CSWAMZ during its 40th meeting and the 5th meeting of CSNBFI in November 2021.



Mr. Fonsia Donzo, Director of Regulation of Supervision Department

Following his election, Director Donzo thanked his colleagues for the confidence reposed in him and promised to work collaboratively to achieve the objectives of CSNBFI and CSWAMZ. He advised his colleagues to give more attention to innovative technology solutions with which financial technology companies (FinTechs) and other innovators can conduct live experiments of their products and services in a controlled environment, under the supervision of the regulators. Director Donzo also highlighted the need to focus on climate change and financial services.

Following several days of deliberations and report writing the College of Supervisors of the West African Monetary Zone (CSWAMZ) outlined the following achievements:

1. Significant efforts in promoting a safe and stable financial system in the West African Monetary Zone (WAMZ) through effective cooperation, exchange of information, and supervisory colleges.
2. Publication of the 2020 edition of the Financial Stability Report for WAMZ, in collaboration with the West African Monetary Institute (WAMI).

3. Successful development of a model risk-based supervision (RBS) framework for WAMZ.
4. Implementation of international banking regulations such as Basel II, and aspects of Basel III, by two member states, whilst the others enhanced their risk management frameworks in preparation for migration.
5. Successful implementation by five (5) Member States of international financial reporting standards (IFRS) 9 and 16.
6. Continued strengthening by Member States of their AML/CFT (anti-money laundering/ combating the financing of terrorism) regimes in line with international standards.
7. Continued monitoring, in collaboration with WAMI, of the compliance status of Member States with selected international standards, including the adoption of the Model Act for Banks and Financial Holding Companies in the WAMZ.

Despite these achievements, members of the Colleges expressed the following concerns:

1. Anticipated increase in non-performing loans in the WAMZ, due to the negative impact of COVID-19.
2. The threat to financial stability as a result of the COVID-19 pandemic.
3. Fiscal dominance crowding out the private sector.
4. Rising trend of cyber risks and data integrity.
5. Absence of deposit insurance schemes in some jurisdictions in the Zone.
6. Non-existence of unique identifiers (bank verification numbers) in most jurisdictions,
7. Deposit and loan concentration risks in some Member States; and
8. Low awareness of environmentally sustainable banking principles in the WAMZ.

CBL Observes International Women's Day

On 8 March 2022, the Central Bank of Liberia celebrated International Women's Day in grand style, recognizing the important roles that women continue to play in the social and economic development of Liberia. The celebration of the day was a milestone for CBL, as it participated in a march at the Ministry of Gender and Social Protection, in observance of International Women's Day 2022. Although all of its female staff members have contributed to the institution's development, due to the lack of space in this publication, CBL used International Women's Day 2022 to recognize the below senior female staff.

Nyemadi Pearson – Deputy Governor (Operations)



Madam Nyemadi D. Pearson is as an accomplished and transformational Liberian lady who has served in senior positions in both the public and private sectors, with

impeccable character and attributes. She is a woman of integrity, a team player, and a mentor, credited for introducing sound budgetary management, effective banking operations and procurement policy, as well as high professional and ethical standards in CBL.

Madam Pearson currently spearheads CBL's Currency Reform Program and was instrumental in the passage of the CBL Amended and Restated Act of 2020.

Miatta O. Kuteh – Director (Payment Systems Department)



Mrs. Miatta O. Kuteh has over fifteen years of experience in banking operations at CBL and played a key role in the setting up of the Bank's Payment System Department, becoming its first female Director.

She attributes her career success to her desire to learn on the job, taking advantage of every opportunity that was accorded her.

Euphemia Swen-Monmia – Director (Financial Markets)



Mrs. Euphemia Swen-Monmia embraced women's issues during her student days, becoming Gender Officer, Assistant Secretary General, and the only female on the executive council of the Liberia National Students Union (LINSU).

She was instrumental in the establishment of the Financial Markets Department in 2017, becoming its first female Director.

Mrs. Maway T. Cooper-Harding – Director (Human Resource Management)



Mrs. Maway T. Cooper-Harding's career as a human resource professional has spanned more than two decades, mostly spent with the Lone Star Cell MTN, where she contributed to setting up the company's

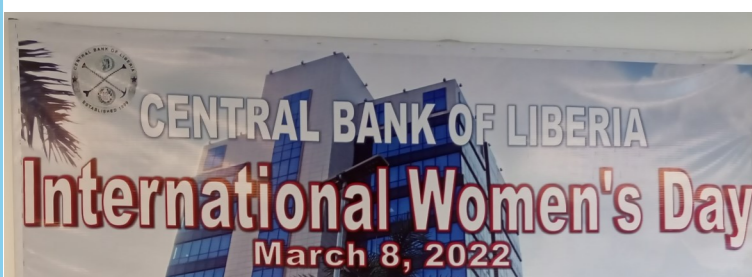
human resource department. She subsequently served as Director of the Human Resources departments of the Ministry of Foreign Affairs, Liberia Maritime Training Institute, and now the Central Bank of Liberia.

Cllr. R. Esther H. Barclay – Legal Counsel



Cllr. Esther H. Barclay has served in the Central Bank's Legal Affairs Department for most of her professional career, becoming the first female Legal Counsel of the Bank in 2018. She is currently a Counsellor at Law at the Supreme Court of Liberia. Prior to moving to the

Legal Department, Cllr. Barclay worked in the Finance Department of the Bank.



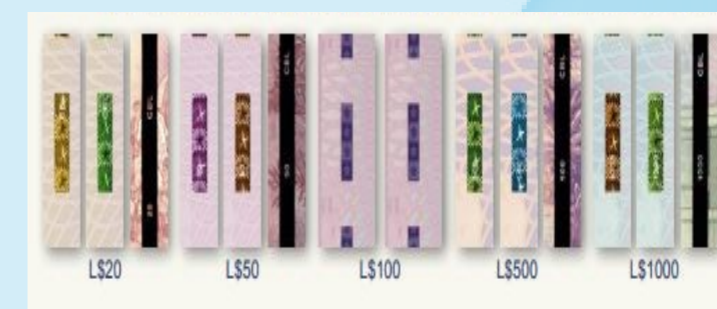
Know Your New Money – The Security Features

Every country's currency has unique security features to prevent the circulation of counterfeits on the market. These features are designed by the company that is hired to print the money.

In the case of Liberia, Crane Currency was the printer for Liberia in 2016 and was contracted by the CBL to print the first batch of the new L\$100 banknotes valued at L\$8.0 billion, while the rest of the banknotes were printed by G+D Currency in Germany. The Royal Mint in the UK minted the L\$5 and L\$10 coins.

It is important for everyone in Liberia to know the security features that are on the country's currency so that they can identify counterfeits. Here's what you need to know about the security features on the new Liberian banknotes:

Security Thread



This feature shows stars with pulsing effect and dynamic color changing effect on the L\$20, L\$50, L\$500 and L\$1000 with different colors. The text "CBL" and the denomination number can be seen within the banknotes when held up to the light. When tilted, the thread for the L\$100 shows pulsating, purple-colored stars, giving the same appearance as in the L\$100 that was issued in 2021.

This means when you show any one of the banknotes in the light, you will see a shining star with different colors, and you will also see the letters "CBL". Each banknote has a thread on the left-hand side – between the seal and the portrait of the president.

The L\$20 note has a gold thread, the L\$50 has a purple thread, the L\$100 has a purple thread, the L\$500 has a green thread and the L\$1,000 banknote has a gold thread. Each thread has a figure of the denomination, so please always pay keen attention to this. For counterfeit banknotes, you will not see these features.

Watermark



The watermark is located on the white spot on the left-hand side of the front and right-hand side of the back of the banknotes. When holding the note against the light, the coat of arms of Liberia and the text "CBL" are visible.

The watermark, which is the seal of Liberia, can be found on the left hand of each bank note. It can be clearly seen once you show the note to the light. The letter "CBL" is at the bottom of the seal.

Intaglio



The banknote has areas with raised ink which can be felt by running the finger over the forehead or upper part of the portrait of the banknotes.

New Family of Liberian Currency Will Improve Public Confidence and Spur Economic Growth

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Speaking on Monday, November 7, 2022, at a ceremony marking the symbolic turning over of the first batch of coins to stakeholders of the Liberian economy, the Executive Governor of the Central Bank of Liberia, J. Aloysius Tarlue, Jr. said: “The arrival of the lower denomination coins will once and for all solve the change problem that plagued the financial system for some time. It will also address the arbitrary increase in prices that resulted from the lack of change on the market”.

The amount of money—L\$48.734 billion—authorized for printing by the National Legislature between 2021 and 2024 was determined by the shortfall in the money supply, brought on by the growth of the national economy as well as population growth, mutilation, and the Bank’s policy of de-dollarization. De-dollarization would mean that ultimately a single Liberian currency would become legal tender in Liberia, giving the Central Bank of Liberia greater control over its monetary policy.

With the infusion of new money into the banking system, those with money in the banks can now withdraw their money at will, without any worries that the needed cash may not be available. It is expected that the renewed confidence in the banking system that the infusion of new money will engender can only discourage hoarding and improve liquidity, thereby improving the lending capacity of banks.

The increased liquidity in the banking system would enable commercial banks to perform their traditional lending role, since there would no longer be cash shortage, enabling investors to borrow money and invest in the economy to engender economic growth.



March 2022 CBL Observes International Women's Day

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Mrs. Juah K. Feika – Deputy Director (Banking)



Mrs. Juah K. Feika is an experienced Central Banker and a financial expert who, along with other CBL senior staff, benefited from CBL’s first graduate program scheme in 2000. She previously worked in the Regulations and Supervision Department and is now Deputy Director of the Banking Department.

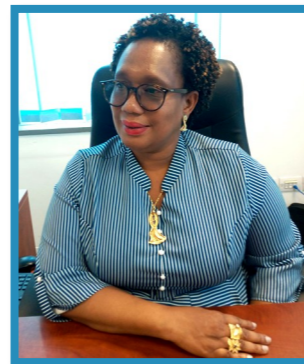
Mrs. Feika served as Commissioner of the Internal Revenue Division at the Ministry of Finance in 2010, progressing to the position of Assistant Minister and, in 2015, becoming Deputy Minister of Administration, before returning to CBL.

Mrs. Barue Mills Morris – Dep. Director (RSD)



Mrs. Barue Mills Morris is an experienced central banker, with virtually all her banking career spent at the Central Bank of Liberia, where she rose from the position of an Executive Secretary to become Deputy Director.

Mrs. Erica R. Williams – Deputy Director (Regulations & Supervision Department)



Mrs. Erica R. Williams contributed to women’s empowerment, by setting up an organization that provides skills and numeracy for girls and women. She has been with CBL since its inception, with professional interests in financial digitization and women’s financial inclusion.

Mrs. Chandra C. Jackson – Deputy Director (Insurance Department)



Mrs. Chandra C. Jackson is an insurance expert, having graduated from the West African Insurance Institute in The Gambia and served as Insurance Examiner I, II and III, Principal Insurance Examiner, Assistant Director and now Deputy Director of the Insurance Department. She has been at the forefront of reforms in the insurance sector and is the longest serving staff in CBL’s Insurance Department.

Mrs. Evelyn C. B. Weeks – Deputy Director (Human Resource Management)



Mrs. Evelyn C. B. Weeks is an experienced Human Resource Manager. She played a pioneering role in the setting up of the Human Resources Management Department, which was then a Unit within the Administration Department. She became Assistant Director when the Unit was elevated to departmental status in 2016 and subsequently appointed Deputy Director in 2022.



Empowering Female Staff

CBL continues to empower its female staff as part of its strategic goal of building gender equality in its work environment. The Bank has enabled its female staff to thrive, creating training opportunities for them that have facilitated their career progression, with CBL, in turn, benefitting through enhanced productivity brought about by the earlier professional opportunities that the above female staff received.

Two Regulations Launched to Improve Microfinance Sector



Mr. Hans Anderson of the Regulations & Supervision Department making a presentation at the workshop on the new Microfinance Regulations

Two new regulations, aimed at consolidating all previous regulations pertaining to the microfinance sector, have been developed and issued by the Central Bank of Liberia (CBL), with technical assistance from the World Bank.

Regulation No. CBL/RSD/001/2021 requires all non-bank credit organizations (NBCOs) to meet the new licensing requirements of the CBL before they can commence operations.

NBCOs that were already in existence before the new regulation will have to obtain a full license from CBL within 90 days. Even so, such organizations must obtain provisional licenses while awaiting their full license from the CBL. The provisional licenses will remain valid for a period of six months as of the date of Regulation No. CBL/RSD/001/2021 and be replaced if the application for a full license is granted.

Licensed NBCOs must have their names and evidence of lease agreements for their premises prominently displayed. Directors of NBCOs, whose appointments must be approved by CBL, must, along with their officers, avoid activities and interests that conflict with their duties.

They must, in advance, declare the specifics of such potential conflicts of interest to their full Board of Directors prior to their appointments as directors. Failure to declare such interests will warrant the levying of a L\$150,000 fine and/or their removal from office.

All NBCOs must submit their audited financial statements, annual reports, and annual returns to CBL's Regulation and Supervision Department for review and approval not later than three months after the end of the institution's financial year.

The other Regulation, No. CBL/RSD/002/2021, is applicable to licensed banks and microfinance lending institutions. It covers credit risk management practices that contain credit policy, credit portfolio review, loan payments, as well as customers' checking or deposit accounts.

Following the issuance and publication of the regulation, CBL's Regulation & Supervision Department held a one-day stakeholder workshop on 2 March 2022 for all non-deposit-taking microfinance institutions. The workshop focused on interpretation and dissemination of the regulations.

More information about the two new regulations can be found on the CBL website at <https://cbl.org.lr>.



A cross-section of participants at the workshop

Special Feature

New Family of Liberian Currency Will Improve Public Confidence and Spur Economic Growth

The need to print a new family of Liberian currency stemmed from the liquidity challenges, caused by the high level of mutilation and hoarding of the existing currency, evidenced by nearly 90% of the currency being outside the banking system. The hoarding and mutilation of Liberian currency created liquidity challenges and eroded public confidence in the banking sector.

At the peak of the liquidity squeeze, customers queued for hours at various ATM (automated teller machine) installations only to find out that there was no money in the banks. The shortage of cash in the banking system led to a 'self-fulfilling prophecy' in which the initial hoarding of cash, which produced the liquidity squeeze in the first place, led more people to withdraw money from the banks, leading to a greater liquidity squeeze.

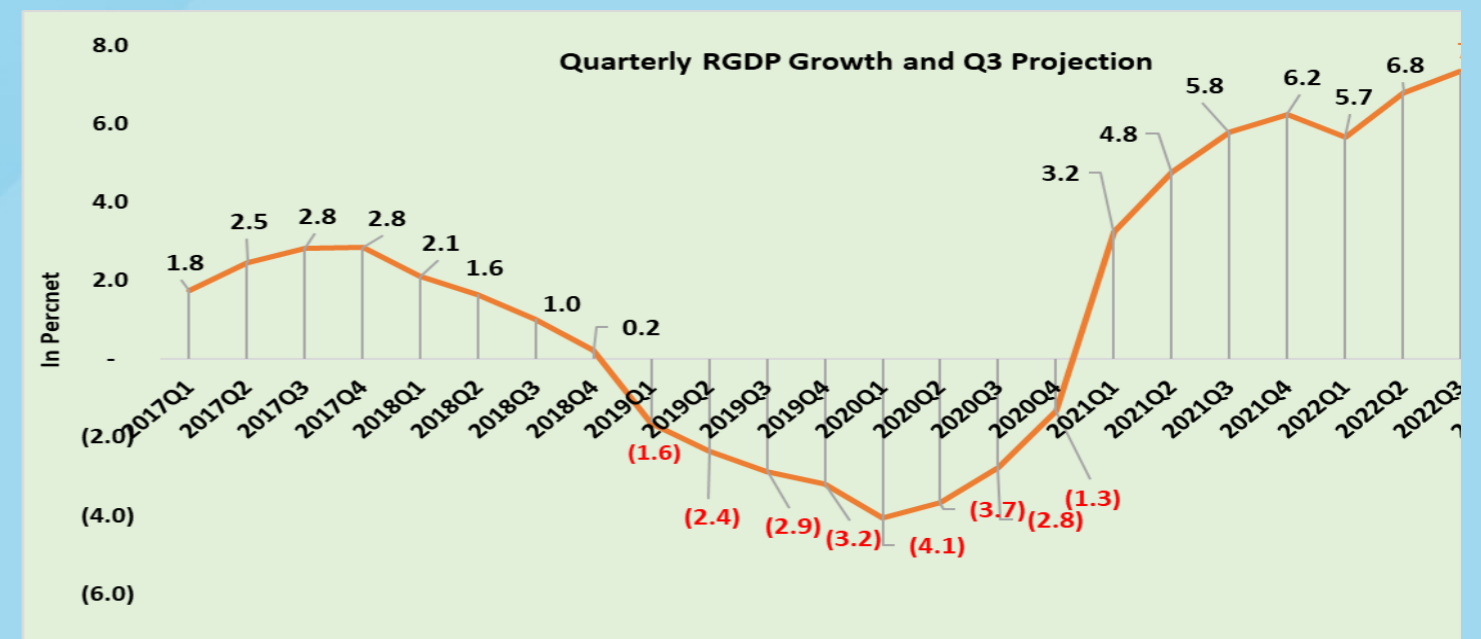
Currency mutilation and the hoarding of Liberian dollars re-enforced each other, exacerbating the already low public confidence in the banking system. This left the Central Bank of Liberia to recommend the printing of new money, while fully aware that an over-printing of money could further fuel inflation, thereby undermining the mandate of the Bank. This however was not likely to happen, as the increase in the demand for money was proportional to the increase in money supply, removing any inflationary pressure.

In November 2021 the first batch of L\$4 billion of the new currency (in L\$100 bills) was placed into the economy, somewhat easing the liquidity challenge that the banking system had endured. Since that delivery of L\$4 billion, nearly L\$30 billion have delivered, making the liquidity challenges that the banking system endured a thing of the past.

The printing of the new family of Liberian dollar currency came at the right time and saved Liberia from the liquidity squeeze that engulfed the economy for a protracted period, especially during the festive months of July and December.

As part of the CBL Currency Reform Program, Liberian dollar coins were minted to solve the change problem and consequently reduce the inflationary pressures caused by the shortage of smaller Liberian dollar denominations. Prices that were inflated due to the shortage of change were reduced as a result of the minting of coins, enabling consumers to collect their change in lower denominations of Liberian dollar currency.

Low-income earners breathed a sigh of relief. They were the ones who mostly felt the pinch of being short-changed due to the lack of adequate change whenever they purchased goods or services from their low earnings".



Source: CBL Research Department

CBL Holds Engagement with People with Speech and Hearing Impairment on Currency Reform

The Chairperson of the National Commission on Disabilities (NCD), Madam Daintowon Domah Pay-Bayee, has encouraged members of the community of people living with speech and hearing impairment to “spread the message” about the new Liberian currency to help others understand the importance of the currency changeover process and its impact on the Liberian economy.

“Many of you are heads of institutions for people with speech and hearing impairment, so during your engagements, please provide information to members of your community or institution,” said Madam Pay-Bayee during the currency awareness program held at the NCD headquarters in Congo Town. She made the remarks during an engagement with people with speech and hearing impairment that was organized by the Liberia Media for Democratic Initiatives (LMDI) on 12 December 2022 as part of the CBL currency awareness campaign.

During the engagement, the differences between the new and old banknotes on one hand, and counterfeits on the other, as well as the duration for the replacement of the old banknotes with the new ones were highlighted.

Responding to these inquiries, Mr. William N. Dargbeh, who is a TCCR member, assured the audience that all the old currency will be replaced with the new one in due course, stressing that CBL does not want to state a specific time in order to avoid a rush, which could put pressure on the financial system.

“We are taking our own time to change the money. All the commercial banks have accounts with the Central Bank, so any commercial bank that collects the old money will deposit it in their account at the Central Bank and then the CBL will replace it with new banknotes as they come to withdraw”, Mr. Dargbeh said. Mr. Dargbeh also explained the dissimilarities between the old and new banknotes and outlined the importance of the recent introduction of the L\$5 and \$10 coins in the market.



Some members of the speech and hearing impairment community attending the stakeholders' engagement program on the new Liberian currency on December 12, 2022

The introduction of the coins was said to mitigate the frequency at which smaller denominations of the Liberian banknotes get mutilated. Unlike the banknotes that have a limited lifespan of three (3) to five (5) years and are easily ruined or mutilated, coins are more durable and can last for fifteen (15) – twenty (20) years, thereby preventing the costs for the continuous printing of banknotes after every five years.

In a related development, the CBL Executive Governor, J. Aloysius Tarlue, Jr., on November 5, 2022, led a team at the headquarters of the Christian Association of the Blind (CAB), where sensitization was provided to people with visual impairment about the new banknotes. During that engagement, members of the CAB were educated on how they can identify the various denominations of the new banknotes which have specific features that distinguish one from the other.

The new banknotes have special features to aid the visually impaired, including raised ink on the sides that can be felt when running your fingers over the edges of the banknotes, to distinguish between different denominations. This means, they will be able to tell the difference between L\$20 note and L\$50 note or L\$100 note from a L\$500 note or L\$1000 note just by touching the money.

IMF Sets up Resilience and Sustainable Trust

The Managing Director of the International Monetary Fund (IMF), Kristalina Georgieva, on Wednesday, 13 April 2022, announced the creation of the Resilience and Sustainability Trust (RST), with the aim of helping low- and middle-income countries build resilience to external shocks and ensuring sustainable growth, contributing to their longer-term balance of payments stability.

In announcing the creation of the RST, the IMF Managing Director was quoted in an IMF Press Release as saying: “The RST will amplify the impact of the US\$650 billion Special Drawing Right (SDR) allocation implemented in 2021 by channeling resources from economically stronger members to countries where the needs are greatest. The aspiration is to build a Trust of at least US\$45 billion in resources”.

The IMF, in its 13 April 2022 Press Release, also said the RST will provide policy support and an affordable longer maturing financing of up to 20 years and a 10-year grace period to help build resilience against long-term risks. Up to three-quarters of IMF members are said to be eligible for RST financing.

Through the RST, the IMF will broaden its lending support, and limit risks to members' financial positions by permitting those members with strong external positions to pool financial resources for the benefit of low-income and vulnerable middle-income countries.

RST loans will also focus on addressing climate change and enhance COVID-19 pandemic preparedness in recognition of the significant economic and social costs inherent in the frequency and magnitude of disasters related to climate change, particularly affecting lower-income and smaller countries. Global warming was said to be driving other trends that are less visible and disruptive in the short term but carry large longer-term economic risks. The RST, it was said, will support measures aimed at adaptation, mitigation, and transition.



IMF Managing Director Kristalina Georgieva

COVID-19 preparedness is another focus of RST loans, with the aim of enabling low income and vulnerable middle incomes nations to reduce the risk of events whose costs at times can be higher than entire national budgets.

FAO, IMF, World Bank, WFP, and WTO Issue Joint Statement on Global Food Security Crisis

Several international organizations, including the Food and Agricultural Organization, International Monetary Fund, World Bank, World Food Programme, and the World Trade Organization, on Friday, 22 July 2022, issued a joint statement calling for short and long-term actions to provide immediate support to vulnerable people, facilitate trade and international food supply, boost food production, and invest in climate-resilient agriculture.

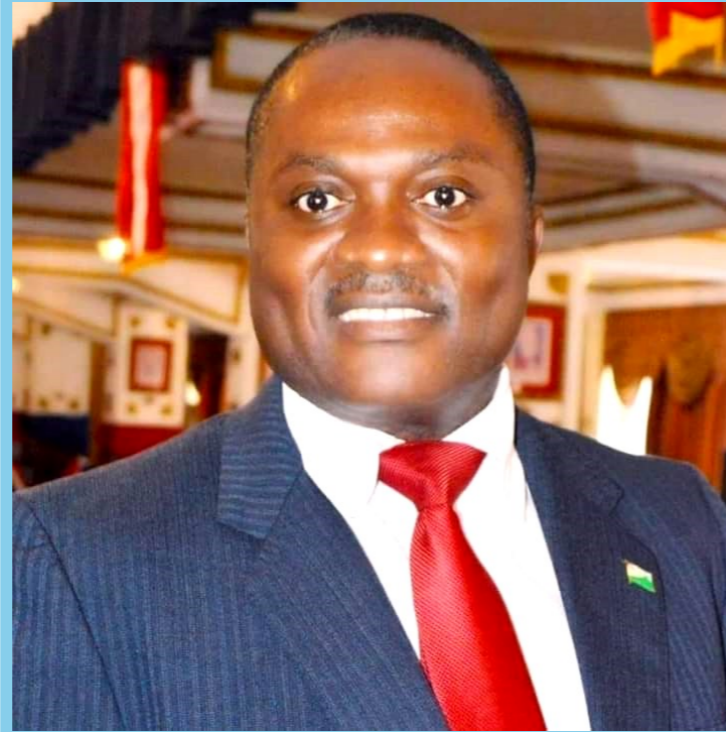
The call by these global organizations was reportedly based on acute food insecurity, higher food prices, doubling of fertilizer prices as well as dwindling global food stocks. All of this is said to have been compounded by COVID-19, the Russian-Ukraine War, and climate change, all of which adversely affect agriculture productivity in many countries. As a result, the livelihoods, and lives of 345 million people are reportedly placed at risk and, worse still, 25 countries have placed restrictions on food exports, affecting 8 percent of global food trade, the statement said.

Roadmap for Establishing Insurance Commission

The establishment of an independent Insurance Company of Liberia has come one step closer, with the commencement of consultations initiated by CBL Insurance Department. The Department organized consultations that included dialogues and collaborative engagements as well as quarterly meetings. These events are part of a 5-year road map that will lead to the establishment of the Insurance Commission of Liberia, as stated in the New Insurance Act of 2014. The Road Map will guide the transition from a CBL Insurance Department to a fully-fledged independent Insurance Commission. The establishment of the roadmap and its implementation are being facilitated by the United States Treasury's Office of Technical Assistance.

As part of the transitioning process, CBL held consultative engagements with the National Insurance Commission of Ghana. Two staff were sent to the West African Insurance Institute on a one-year study program to strengthen institutional capacity and ensure that the Insurance Department can optimally oversee Liberia's insurance sector, while another staff returned from the University of Nairobi. Consultations were also held with the National Insurance Commission of Nigeria during the 2nd meeting of the College of Insurance Supervisors of the West African Monetary Zone (CISWAMZ) that was held in Abuja, Nigeria in May 2022, under the auspices of the West African Monetary Institute (WAMI).

Some of the reforms that were formulated by the CBL Insurance Department were directed at insurance intermediaries such as insurance brokers, potential brokers, and insurance agents. In this regard, notifications about licensing exercises and licensing requirements were sent out to insurance intermediaries. In addition, a reporting format for insurance companies and brokerage firms were developed, with new guidelines for regulatory reporting for insurance companies also established.



Mr. Nathaniel C. Gbaba - Director CBL's Insurance Department

Additional reforms include the issuance of guidelines, which were circulated to insurance companies. These were more comprehensive and intended to improve the timeliness, quality, and content of reporting by insurance companies.

The liquidation of the Insurance Company of Liberia Limited (ICLL), which was part of the reforms of the insurance sector, was progressing, with the sale of its fixed assets and monies deposited in the account created at the CBL.

Additional reforms of the insurance sector, undertaken by CBL's Insurance Department, included developing a complaint tracking database, complaints procedures, and complaints reporting template for insurance companies.

The Insurance Department also embarked on an ambitious examination of insurance companies including the Sky International Insurance Company (SIIC), American Underwriters Group (AUG) and the Omega Insurance Company, while finalizing examination reports conducted in the first half of 2022. The information obtained from the examinations were designed to be used to develop policy actions for the industry going forward.

CBL Executive Governor Graces Publishers Association Induction Ceremony, Installs New Officials



Executive Governor Tarlue installing the newly elected PAL leadership



Executive Governor Tarlue pose with newly installed officers of PAL and members of Internews-Liberia

The Executive Governor of the Central Bank of Liberia, Mr. J. Aloysius Tarlue, Jr., extolled the work of the Liberian media, adding that the press remains "very helpful" in promoting the policies and activities of CBL. He emphasized that the support of the media helps the Bank "get important information out there quietly" about the massive reform process, including the currency reform program.

He made the remarks on December 16, 2022, when he installed newly elected officials of the Publishers' Association of Liberia (PAL) during the induction ceremony that was held in Monrovia. Those installed were Mr. Othello Garblah, publisher of the New Dawn Newspaper, as President; Mr. Sam O. Dean, publisher of the Independent Newspaper, as vice President; and Mr. Abraham A. Donzo as Financial Secretary.



A cross-section of participants at the induction ceremony for PAL leaders

The Executive Governor lauded the newly elected PAL officials and assured them of CBL's continued support to the Association. He then stressed the importance of maintaining "good relationship" with the Press to promote the policy and interventions of CBL. "We are doing a lot of work, but we are doing it quietly," he said. "We need the media. We cannot go without the media because it is an important part of any society".

The Publishers Association of Liberia (PAL) is the umbrella body of print media owners in Liberia. It was formed in 2000, with all newspaper publishers and managers as members. The main purpose of the Association is to discuss issues of concern to newspaper publishers and proprietors and plan common actions. It has served as a platform for discussions about the

possibility of 18 smaller newspapers in the country merging to make them more viable.

What Liberians Are Saying About the New Money

The Technical Committee on Currency Reform (TCCR) of the Central Bank of Liberia has been conducting several stakeholder engagement forums across the country. From Grand Bassa County to Margibi and Bomi Counties; from Grand Cape Mount to Bong and Nimba Counties, these engagements are helping the public understand the importance of the currency reform process and how it will impact the economy.

Although there have been some concerns and questions coming from Liberians at these gatherings, some people have shown that they have grasped the basic information about the new Liberian currency.

The Regulator compiled some of their comments and here are the highlights:

Edwin B. Kromah, Grand Cape Mount County

“One of the things I observed about the new money is unification. It is telling us that we have to be unified in Liberia or in Grand Cape Mount.”



The 16 original tribes (represented by their respective cultural masks) were put on the L\$1,000. This is one of the things that really impressed me about the new money.”

Mohammed Sonii, Grand Cape Mount County

“The tear-tear (mutilated) money was too much on the market, so the Legislature came together because they have the power to pass laws on everything in our country. So, they ordered the printing of new money and asked the Central Bank to do it so that they can get rid of too much tear-tear money that was causing problem in the country.”



Aminata S. Kiazolu, Grand Cape Mount County

“I am very happy for this new money especially for the L\$500 and the L\$1,000 notes, reason being that we the teachers can use the photo that is on the L\$500 note to show to our students as an example because we always teach orally and the students don’t see it physically, but when we show them the money and tell them that ‘this is Suzanna Lewis, this is Mary Hunter they will be able to see the seven ladies’ ”.



Another thing is that on the L\$1,000 note we see masks of the 16 original tribes, and we will tell our students that this mask represents the Vai tribe; this mask is the Gola mask. We will be able to show our students the important features of our country just by showing them the money.”

Prince Flomoyan, Grand Bassa County

“My confusion was actually about the L\$500 banknote where you had three chiefs on the old money. You people decided to go into committee room and to come up with the photo of the seven ladies that designed the Liberian flag to replace the photo of the unknown chiefs. I think you people (CBL) deserve commendation for this decision, thanks so much for that decision.”



May 2022

CBL Staff Scoops International Awards

Mr. George B. Gould, deputy head of CBL’s Development Finance Section, received two international awards from the Alliance for Financial Inclusion (AFI) at the meeting of the Global Alliance for Financial Strategy Learning Group meeting that was held in Quito, Ecuador on 10 May 2022.

The first award was in Peer Review, for sharing and exchanging knowledge. Recipients were recognized for reviewing and commenting on the policies and interventions of member countries. Representatives from the central banks of Tanzania and Angola as well as the Central Bank of West African States (BCEAO) also received awards in this category.

Mr. Gould received another award for being responsible for sub-group deliverables. He shared this award along with representatives from the central banks of Sao Tome and Principe, Zambia, Egypt, Gambia, Ecuador, Bhutan, Mongolia, Bangladesh, Eswatini and Costa Rica. AFI is a policy alliance of central banks and



Mr. George B. Gould, deputy head of CBL’s Development Finance Section, receiving one of two awards

financial regulatory institutions. Their common objective is to advance financial inclusion at the country, regional and international levels. The Alliance collaborates with regulators, international organizations, and private sector leaders to drive practical solutions and facilitate the implementation of impactful policy changes through its cooperative model that embeds peer learning, knowledge exchange and peer transformation.

AFI was founded on the idea that a global knowledge exchange platform is key to expanding and improving financial inclusion policies. Over the years, the AFI network has invested in this platform and has delivered tangible results.

The CBL is one of the early members of AFI and has played important roles in promoting the objectives and agenda of AFI.



Benefits of CBL Bill:

- Provide investors with risk-free securities because they are backed by the CBL.
- Encourage the development of domestic money, capital, and secondary markets.
- Stabilize the Liberian dollar exchange rate
- Encourage a savings culture within the Liberian society
- Serve as a source of income for short, medium, and long terms investors.

For more info call: 0555960567



Central Bank of Liberia

June 2022

CBL Engages Local Media on Currency Reform Program

On June 8, 2022, heads of 30 media institutions attended a media engagement event at CBL to get updates on the printing and minting of a new family of Liberian currency, in keeping with the Bank's commitment to ensure transparency and accountability in its ongoing currency reform program.

During the deliberation, CBL staff informed media practitioners that, with support from the international firm Kroll & Associates, the Bank had completed the design of new banknotes and coins, which was subsequently approved by the Bank's Board of Governors and His Excellency President George Manneh Weah, Sr., in keeping with the requirements of the Amended and Restated Act of 2020. The journalists were also informed that both the 5 and 10 Liberian dollars were being minted, while the 20, 50 and 100 Liberian dollar banknotes remained basically the same. The design of the 500 Liberian dollar banknote, on the other hand, was modified, with a portrait of the seven ladies that designed the Liberian Flag replacing the three Liberian traditional leaders on the old banknotes. The media was further informed that a 1,000-dollar banknote was being introduced for the first time, which would carry traditional masks representing the sixteen original tribes of Liberia at the front, representing the national heritage of Liberia, while a picture of the Capitol Building that houses Liberia's National Legislature would be on the back of the note.

The procurement process for the printing and minting of the new family of Liberian currency is based on the key principles of transparency, accountability, and credibility. The presentation highlighted the competitiveness of the bidding process, involving five internationally reputable printing companies, and another five internationally reputable minting companies, bidding to print the new banknotes and mint the new coins, respectively. Giesecke+Devrient (G + D) of Germany and Royal Mint of the United Kingdom emerged as winners and were awarded the contract to respectively print and mint the new Liberian banknotes and coins.

CBL re-iterated its policy of infusing the new Liberian currency into the national economy only through commercial banks and other regulated financial institutions. Journalists were also told about the partnership that CBL has forged with commercial banks earlier in the year to ensure an orderly currency changeover process.



A cross-section of media executives and CBL management at the media engagement event

The arrangement was formalized through a Memorandum of Understanding (MOU), with a Technical Working Group set up to monitor its implementation and respond to any emerging issues.

Assurances were given to the journalists that the banknotes and coins would arrive in the country in the latter half of 2022. They were notified that the 8 June 2022 media engagement event was part of a broader public sensitization campaign, with the aim of creating public awareness about the new family of Liberian dollar currency, its security features and the differences between the old and new currency.

CBL told the journalists that the entire Currency Reform Program had been guided by the CBL Board of Governors and Senior Management to ensure effective oversight since May 2021 when the National Legislature authorized CBL to print and mint a new family of Liberian currency. CBL further disclosed to the journalists that the technical aspects of the reform were being coordinated by the Technical Committee for Currency Reform (TCCR), with membership drawn from the various CBL departments. Its functions included formulating an Implementation Plan and working out modalities, in conjunction with commercial banks and other financial institutions, on how to infuse the new currency into the economy and implementing the procurement of the new currency.

Journalists were later informed that CBL had commenced a public education program in collaboration with the Liberia Media for Democratic Initiatives (LMDI) and other media groups.

The Chairperson of the TCCR, Mr. Mussah A. Kamara assured the media community of the integrity and credibility of the currency reform program and the delivery of the new currency on time. He responded to queries relating to the currency replacement exercise and the benefits of the exchange exercise for the overall economy.

November 2022

New L\$500, L\$1,000 Banknotes Arrive to Ease Transactions

Imagine that you are a businessperson who must travel with L\$100,000 to Monrovia every month to buy goods for your shop that is located in the mining town of Kinjor, Grand Cape Mount County. Also, imagine that you must load 1,000 pieces of L\$100 or 2,000 pieces of L\$50 banknotes in a bag, get on a motorbike or a commercial vehicle, and travel to Duala Market from a town in Gbarpolu County. The risks that you might endure each time you make such travel are always too much. Moving such huge quantity of banknotes comes with apprehension. You might be afraid of being robbed or even losing your cash while travelling.

These were some valid concerns that thousands of business owners in Liberia raced before the new L\$1,000 banknote was introduced. The L\$1,000 banknote will complement the L\$500 banknotes which have eased the movement of huge sums of cash for business transactions amongst Liberian entrepreneurs.

As these big denominations of the new Liberian currency flow into the economy, travelers and businesspeople alike can now freely and easily move their cash without falling victims to criminals or being afraid of losing them.

Giving details about the arrival of the L\$1,000 banknotes in early December 2022, Mr. Mussah A. Kamara, Chairperson of the Technical Committee on Currency Reform (TCCR), disclosed that the amount that was brought into the country "constitutes the full value of the L\$1,000 banknotes approved for printing, out of the L\$48.734 billion".

"As the new consignments are received, verified, and validated, they are put into circulation. It is important to note that the infusion of the new currency is being done at the same time as the withdrawal of the old currency," he said.



One of the billboards installed in 10 of the 15 counties of Liberia

Mr. Kamara said the bigger denominations will be infused into the market in line with the implementation plan of CBL's Currency Changeover Plan, which is continuing throughout 2022 and 2023. He, however, clarified that no new money will be brought in the country in 2023.

It can be recalled that the first batch of the new Liberian banknotes arrived in the country in November 2021, and by the end of December 2022, the total new currency that the CBL had brought into the country was more than L\$34 billion (Thirty-Four Billion Liberian Dollars).

Also, in early November 2022, CBL announced the arrival of the L\$5 and L\$10 coins into the country, revealing that the total amount minted was L\$462.9 million (Four hundred sixty-two million, nine hundred thousand Liberian dollars). This amount represents about 28 percent of the total coins authorized for minting over the three-year period of 2021, 2022 and 2024.

Like the infusion of L\$5 and L\$10 coins that have significantly helped remedy concerns about the lack of small denominations to enhance everyday transactions amongst businesspeople and avert the frequency of printing small denominations by the CBL, the bigger denominations are expected to smoothen transactions amongst businesspeople who are involved in cross-country trade, and reduce theft and shortages, which are usually associated with carrying bundles of smaller denominations.

Mr. Kamara, who is also the Senior Technical Advisor to the Executive Governor, outlined two ways the bigger denominations, especially the L\$1,000, can help enhance trading activities in the economy.

"First, it will help reduce the burden of people, especially businesspeople, who transport goods from the rural areas to Monrovia and between counties to facilitate trade; and second, it will reduce the time it takes to check and count the smaller denominations, which has been one of the main reasons for the attraction to the US Dollars," explained the Chairperson of the TCCR, adding that "with the L\$1,000, businesses may not need to demand US dollar, especially the smaller denominations like the US\$5 and US\$10."

Return of the Coins



CBL Executive Governor, along with stakeholders of the economy, officially unveil the new coins

Liberians have again begun using coins for the first time since the end of the first phase of the Liberia Civil War in 1997 – making it approximately 25 years since most of the population saw coins in circulation. The CBL is optimistic that the introduction of L\$5 and L\$10 will reduce the cost of printing banknotes in smaller denominations and make change available for everyday transactions amongst small businesses.

“You and I know that banknotes spoil quickly, especially the 5s and 10s because banknotes last for three to five years, but what the coins do for us is that they last for 15 to 20 years. They can’t spoil,” explains CBL Executive Governor J. Aloysius Tarlue, Jr., during a program on November 10, 2022 to officially introduce the new coins to stakeholders and members of the business community.

“So, instead of constantly printing L\$5 and L\$10 banknotes, we will save on that because the coins will be used and that’s the benefit of the coins.”

At the event held in the CBL Boardroom, several stakeholders hailed the re-introduction of the coins, stressing that the infusion will ease transactions amongst small businesspeople and their customers. Mr. George Mensah-Asante, President of the Liberia Bankers Association (LBA) and Ecobank Managing Director, emphasized the importance of having coins in smaller denominations in circulation.

“We believe this will make business easy for smaller transactions. In the past when you do business, they take your change – because they do not have the L\$5 and the L\$10. It made transactions expensive but now we have notes, and we have coins”, he said.

“We were using coins before; it’s not strange, only our children who do not know about coins, but we tell Central Bank thank you – you did well for us,” added the president of the Liberia Marketing Association.

The head of the Federation of Motorcycle and Tricycle Union termed the reintroduction of the coins as “historic”, while recalling that the absence of small denominations had caused problems during business transactions.



“We want to call on our motorcyclists to welcome the coins; let them be able to help our passengers. We hope this happens smoothly,” he said.

On Thursday, November 17, 2022, several commercial banks were disbursing coins to customers, and before the end of the day, many Liberians had already had their first experience with the use of coins.

The value of new coins minted is L\$462.9 million, representing about 28 percent of the total coins authorized by the Legislature for minting, with 51.5 percent of the total coins constituting L\$10, while the remaining 48.5 percent constitutes L\$5.

It can be recalled that the legacy coins were minted earlier in the 1970s and 1980s but disappeared from circulation after the first civil crisis in Liberia in 1989.

The new 10-dollar coin is 23mm long and weighs 4.8g while the new 5-dollar coin is 20mm long and weighs 3.6g. The key security feature of the new coin is that when tilted toward the sun, one can see the Lonestar, and the denomination with the Liberian dollar sign.

“The coins are so good that if you take one and put it up and you look at it, you will see the lone star embedded in the coin – which means it cannot be counterfeited. It is a security feature that is very strong,” said Executive Governor Tarlue.

Feature

Introducing the CBL Bill - Why You Should Make a Great Financial Decision by Investing

Individuals who have accounts with commercial banks are invited to invest in the CBL Bill and reap quick returns on their investments. Although registered businesses and commercial banks are also eligible to invest in the CBL Bill, individuals with accounts in commercial banks have not taken advantage of this offer on the same level as commercial banks.

Those who invest in the CBL Bill get their money back plus interest within a period as short as three months or even one month. Individual investors may even get their money back with interest within two weeks. The investment in CBL Bills is in Liberian dollar currency, with a minimum of L\$10,000 in your local bank account required to begin the investment process.

There is no limit to how much an investor can invest once it is in incremental amounts of L\$10,000. For example, investors can also invest L\$20,000, L\$30,000, L\$40,000, etc.

Risk-Free Investment

There are no risks involved in investing in the CBL Bill and you can decide to cash out at the maturity date of your investment and get back your principal plus interest. If you choose not to redeem your investment and prefer to roll over to a longer period, you could earn compound interest, which means that when the next interest period arrives, it takes into account the total balance, rather than just your initial investment. Moreover, there cannot be a default in paying back your principal plus interest as the entire scheme is backed by CBL.

How to Invest in the CBL Bill

To begin the investment process, the investor needs to have a balance of at least L\$10,000 in his/her local bank account. If you don't have a bank account, you will need to open one with at least a L\$10,000 deposit, after which you will then complete and email a bidding form to your local bank, with a passport photo scanned in the form. Bidders are welcome to choose any one of the three maturity dates for their investment, i.e., two weeks, one month or three months.



Euphemia Swen-Monmia – Director of CBL's Financial Markets Department

Potential investors can obtain a bidding form from their local bank, complete it, and submit it there.

Currently, the CBL Bills are issued at an annual interest rate of 15%, which is determined quarterly by the Monetary Policy Rate (MPR) of the Bank. When discounted at the maturity dates of two weeks, one month, or three-months, investors get returns of .5390%, 1.1715%, or 3.5558% respectively, on their investment. These rates are much more profitable than any local bank can give. Not only can individuals invest in the CBL Bill, but they can also buy and sell it to others at rates that are mutually acceptable, once they keep their commercial banks informed about the procedures and processes.

Objectives of the CBL Bill

The main objective of the CBL Bill is to create a savings culture among Liberians. The Bill also helps to stabilize the Liberian dollar exchange rate and build Liberia's capital markets, which are so useful in enabling people to become entrepreneurs and for small businesses to grow into big companies. Another key objective of the CBL Bill is to bring more Liberian dollars into the banking system. Currently, more than 90% of Liberian dollars in circulation are outside the banking system.

Mobile Money and Financial Inclusion in Liberia

Mobile money, which is generally defined as the provision of financial services through a mobile device, is now increasingly seen as an effective way to remove barriers that exclude people from participating in the financial sector. It can be used by the financially excluded to improve their lives. Financial inclusion, on the other hand, is ownership of an account with a bank or another formal financial institution. Based on this broad definition of financial inclusion, the financial inclusion rate in Liberia as of 2021 was found to be 73%, according to a CBL-led Financial Inclusion Survey. This is far higher than the 50% financial inclusion rate that was targeted for 2024.

According to the 2021 Global Findex Report, ownership of bank accounts has grown tremendously since the 2017 Global Findex Report. The 2021 Global Findex Report found that Liberia has already exceeded its 2024 financial inclusion target of 50 percent, as account ownership was found to be 51.63 percent, up from 35.7 percent. This achievement is on account of the policy interventions of the CBL and other policy makers.

Findings of CBL-led Financial Inclusion Survey

Findings of a CBL-led Financial Inclusion Survey corroborate with those of the 2021 Global Findex Report, indicating a rise in financial inclusion in Liberia, driven mainly by an increase in mobile money accounts. The survey, undertaken in 2021, showed that 69% of Liberians now have mobile money accounts, a rise of 40%, since 2015.



A grocer undertaking a mobile money transaction to purchase more groceries

The survey covered all of Liberia's fifteen (15) political subdivisions, both rural and urban, and was funded by the Alliance for Financial Inclusion (AFI). It was conducted by the NERISA Group of Companies, a local Liberian firm which used the Survey to ascertain the impacts of recent reforms in the Liberian financial sector.

A total of 5,760 households took part in the survey. Female-headed households made up 49.4% of those who took part, while male-headed households accounted for 50.6%. Counties were sampled in proportion to their population, with Montserrado and Nimba counties assigned 32.2% and 13.3%, respectively, of the samples.

Respondents ranged between 18 to 71 years of age, 45% of them being between the ages of 31 and 40 and 3% above 61, an indication of the youthful participation in the 2021 National Financial Inclusion Survey.

A little over half of those sampled (50.6%) were self-employed, while 11% were employed within the private sector. 23.5% were unemployed and 9.5% contract laborers. 35.6 per cent were high school graduates, with 9.8% either university students or graduates. Those with primary school education or lower, accounted for 40% of those sampled.

The 2021 National Financial Inclusion Survey was designed to collect evidence and update the baseline information on which implementation of the 2020-2024 National Financial Inclusion Strategy would be assessed. It provides information on gaps in the utilization of financial products and services by households and represented a marked improvement in the findings of an earlier Survey in 2015, which found 72% of the Liberian population financially excluded, using only informal saving methods, or not saving at all.

Liberians Welcome New Money

At the Sinje Public School, Mr. Kamara told a hall packed with students that the printing of the new currency was initiated after approval by the Legislature. He later disclosed to them that 48.734 billion Liberian dollars would be printed and infused into the economy over a three-year period except for 2023.

"The Legislature ordered us not to print any new money in the election year (2023) before it appears that we are printing new money for the election business; so, we will not print any money next year (2023)," Mr. Kamara told the students. Along with other key messages about the new money, Kamara and team have consistently re-echoed this message at every dialogue conducted across the country so far.

While on the awareness campaign trail, questions about minting L\$5 and L\$10 coins, instead of banknotes, have also been asked by many people, but Mr. Kamara clarified that, unlike banknotes that have a limited lifespan of 3–5 years and are easily ruined or mutilated, coins are more durable and can last for 15–20 years.

"Because we use \$5 and \$10 dollars most often, they are quick to become mutilated (tear-tear) and must therefore be printed more frequently, making it more expensive," he told marketers at the Bo Waterside community, near the border with Sierra Leone. "So, with the coins, we can save the cost of printing the \$5 and \$10 in the near future".

Responding to inquiries about the duration of the currency changeover process, Mr. Kamara stressed that the process will be done gradually. "We are not rushing to do the currency changeover – we don't want to say that it will happen within six months and that everybody should change their old money to new money," he said.

"Because we know that we have some people living in the rural areas and they don't have bank accounts so we are taking our own time to be using the old and the new money for some time and at some point, there will be no more old money on the market. "Right now, we don't have all the new money yet, so you will still see some old money, but as we bring more of the new money in the country, we will be replacing the old ones, and at some point, we will only receive new money when we go for money at the bank."



Some participants paying keen attention to speakers at a stakeholder engagement forum held on 29 October 2022

At the Bo Waterside parking station, the TCCR team conducted a simulation to gauge people's understanding on how to spot counterfeit from real banknotes. The team later described the different levels of security features on each of the banknotes and explained how visually impaired people can identify the different denomination of banknotes while also outlining the basic steps to spot a fake banknote.

"When you look at the money, put it in front of the light or sun and look inside it closely and if you do not see the Liberian seal inside, also rob your fingers on the lines and on the pictures, if it is not rough, then you look at the thread on the left-hand side of the note, if you don't see stars shining (glittering) then you must know that the money is a counterfeit," explains Abenego C. Kofie, Logistic Consultant of the CBL at the Bo Waterside parking station.

Back in Sinje Town, Ms. Kiazolu is anxious to see the new L\$1,000 circulating in the market. "Another thing I like about the new money is that the L\$1,000 note will help the businesspeople when they are going [to] Monrovia to buy their goods," she said.

Liberians Welcome New Money



Participants listen keenly during a stakeholder engagement forum in Sinje, Grand Cape Mount County on 28 October 2022.

Sinje, Grand Cape Mount County:

Aminata S. Kiazolu, 28, stood attentively as a staff of the Central Bank of Liberia explained to a small crowd of people outside the Sinje Town Multipurpose Hall about the significance of the portraits on the new Liberian banknotes.

Inside the Hall, a team from the Liberia Media for Democratic Initiatives (LMDI) geared up to conduct a town hall-styled dialogue on the new Liberian currency – and how it will impact the economy. When the dialogue started, the moderator asked the audience about their understanding of the new currency, and Ms. Kiazolu was one of the first persons to take the microphone.

“I’m very happy for the new money, especially the L\$500 and L\$1,000 banknotes,” said Ms. Kiazolu, who is a Social Studies teacher at a preparatory school in the community. “The new money will help me teach my students to know some of the basic cultural values of our country.”

She considered the portraits on the two banknotes (\$500 and \$1,000) as clear representations of Liberia’s identity and would be useful in teaching her pupils about Liberia’s culture and history.

“I will use them to teach my social studies lessons,” she later told a visiting reporter. “For example, how the flag was made by women – you can see the photos on the new L\$500 note that will convince my students.

I will also use the photos on the L\$1,000 note to teach my students about our 16 original tribes and also show them the Capitol Building, which is the office of our lawmakers. For me, this new money has a lot of qualities that we as Liberians should be proud of.”

Ms. Kiazolu’s understanding of the portraits shows why the selection was made by the CBL for the new banknotes. The iconic photo of Suzanna Lewis and the six ladies designing the Liberian flag is on the front of the new L\$500 notes, while on the front of the L\$1,000 is a portrait of a collection of all 16 traditional masks representing the country’s 16 original ethnic groups. These portraits are important to the country’s rich history, its cultural values, and national identification.

“Our money is like our flag – it is our national identity, so we have to value and take care of it,” said Mr. Musa A. Kamara, chairman of the Technical Committee for Currency Reform (TCCR), during one of four community dialogues in Cape Mount County. “When people see your money looking good, it will show the kind of country that we are, so we must take care of our money,” he added.



Marketers view a poster on display during a stakeholder engagement forum in Sinje, Grand Cape Mount County

Between 26 – 29 October 2022, Kamara and his team joined the LMDI Ducor Debate team to enhance public awareness about the currency reform process in Bo Waterside, Tieni, Sinje and Robertsport cities.

These engagements gained massive traction by affording students, marketers, and community leaders the opportunity to seek clarification on critical and technical issues about the new currency and the changeover process.

Feature

Mobile Money and Financial Inclusion in Liberia

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Global Trends in Mobile Money Development

According to the 2021 Global Findex Report, worldwide account ownership reached 76 percent of the global population, with 71 percent of people in developing countries being account holders. The Report also found that about 40 percent of adults in developing countries who paid utility bills (18% of adults) did so directly from an account.

Mobile money has become an important facilitator of financial inclusion for women in Sub-Saharan Africa, both as a driver of account ownership and of account usage through mobile payments, saving, and borrowing.

Comparing 26 banks in 10 countries, the 2021 Global Findex Report found that mobile money services reach more low-income and unbanked people in areas without banks than in areas with formal banking services. More than that, it found that the cost of such financial services was 19 percent cheaper than in areas with mainstream banking services, pointing to the effectiveness of mobile money services in facilitating financial inclusion.

Research commissioned by the World Bank confirmed the impact that mobile money services can have on socio-economic development, in particular, poverty reduction, increased productivity, and risk management.

The 2021 Global Findex Report revealed that in 2021, 55% percent of adults in sub-Saharan Africa had a bank account, including 33% who had a mobile money account—the largest share of any region in the world and more than three times larger than the global average. Mobile account owners in Sub-Saharan Africa were said to use their mobile money account not just to make person-to-person payment but to also save and borrow money.

Notwithstanding the importance of mobile money services in bringing about financial inclusion, one-third of mobile money account holders in Sub-Saharan Africa were reported as saying that they could not use their mobile money account without help from a family member or an agent, with women more likely than men to need help in using their mobile money account.

Conclusion

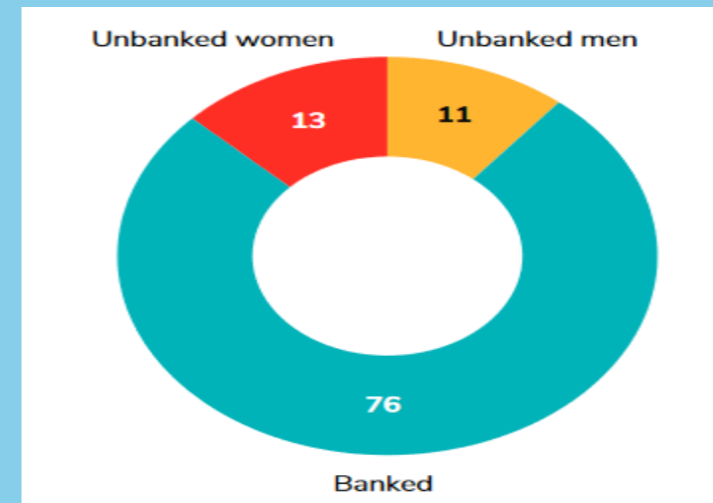
The mobile money industry has proven to be a source of employment and income for thousands of Liberians who depend on this booming industry, including employees of mobile network operators, banks, and cash merchants.

One of the reasons for this increase in the popularity of mobile money services in Liberia, like in other parts of the world, is its obvious benefits over cash-based transactions. Some of those benefits include the reduced risks of loss, theft, and other financial crimes posed by cash-based transactions, as well as the comparatively reduced cost of mobile money services, the speed of transacting and the ease of tracking, because there is always a digital record for every transaction.

The benefits of mobile money services, including the increased security of financial transactions, and the avoidance of long queues in withdrawing cash can be transformational, especially in areas without such financial services.

Promoting mobile money services could therefore enable the unbanked to access formal financial services, as their mobile money accounts can serve as a source of information that can be used in opening accounts, and consequently provide them with financial services such as loans and insurance cover.

Global Account Ownership by Gender



Source: Global Findex Database 2021

Currency Awareness Campaign Kicks Off in Gbarnga in Style

The formal launch of the New Currency Awareness Campaign took place on 1 September 2022 amidst a parade along the principal streets of Gbarnga, Bong County, accompanied by a marching band and a float on which awareness messages were played. During the official program that followed at the Gbarnga City Hall, CBL Executive Governor, J. Aloysius Tarlue, Jr. provided an update on the status of the Currency Replacement Program.

Liberia's renown musician PCK and the popular Liberian comedian Joseph Dean thrilled the audience, while at the same time educating the public about the new currency through music and comedy.

The awareness campaign took place in the presence of an array of key stakeholders, including representatives of the International Monetary Fund (IMF), the United States Agency for International Development (USAID), the World Bank, the African Development Bank, and the United Nations Development Program (UNDP). Other stakeholders at the event included the Chairman of the Senate Committee on Banking and Currency, Senator Marshall Dennis; Chairperson of the Bong County Legislative Caucus, Hon. Moima Briggs-Mensah; Deputy Minister for Economic Management at the Ministry of Finance and Development Planning, Hon. Augustine Flomo; and heads of commercial banks. Also in attendance were the heads of the Traditional Council of Liberia, Liberia Marketing Association, Motorcycle and Tricycle Union, National Teachers Association, and the National Association of Foreign Exchange Bureaus.

The formal launch was followed by a nation-wide public education and sensitization campaign on 8 September in partnership with the Liberia Media for Democratic Initiative (LMDI), with stakeholder forums beginning in Montserrado County.



CBL Executive Governor J. Aloysius Tarlue, Jr.

Goodwill messages were later delivered by the Chairman of the Senate Committee on Banking and Currency Hon. Marshall Dennis; Chairperson of the Bong County Legislative Caucus, Hon. Maima Briggs Mensah; as well as the Deputy Minister for Economic Management at the Ministry of Finance for Development Planning Hon. Augustine Flomo. The head of the Traditional Council of Liberia Chief Zanzan Kawa, and country directors of the IMF, AfDB, and USAID also made remarks during the Awareness Campaign launch.



Mr. Aldar Abdycher — IMF Resident Representative in Liberia



Hon Moima Briggs-Mensah
Chairperson of the Bong County Legislative Caucus

Currency Awareness Campaign Goes Nationwide



Residents of Sinje Town, Grand Cape Mount County attending a stakeholder engagement forum on October 25, 2022



Mr. Abednego Kofie displaying both real and counterfeit L\$500 banknotes to help residents of Sinje understand the difference on October 25, 2022 in Grand Cape Mount County



Female marketers at the Robertsport-Monrovia Parking Station listen attentively to awareness messages about the Liberian new banknotes on October 26, 2022



Mr. Mussah Kamara, chairperson of the TCCR, speaking during a stakeholder engagement forum in Robertsport, Grand Cape Mount County on October 26, 2022



Mr. Kamara speaks to residents of Bo-Waterside, Grand Cape Mount County on October 26, 2022



Residents of the border town of Bo Waterside attending a currency awareness event on October 26, 2022 in Grand Cape Mount County

Currency Awareness Campaign Goes Nationwide



Mr. Dargbeh chats with marketers about the new denominations of the Liberian banknotes on October 19, 2022 in Bomi County



Mr. Kamara responds to questions by marketers during a stakeholder engagement program held on October 19, 2022 at the Gbah Sirleaf Market, Bomi County



Residents of Klay, Bomi County singing the Liberian National Anthem ahead of the start of a stakeholder engagement forum held on October 19, 2022



L-R: Messrs. Kofie, Dargbeh and Kamara singing the Liberian National Anthem in Klay, Bomi County on October 19, 2022



Mr. Kofie displaying a poster of the new Liberian banknotes as he explains the security features to some students of the Tieni Public High School in Grand Cape Mount County on October 25, 2022



Students of Tieni High School, Grand Cape Mount County listening keenly to members of the TCCR team explain the importance of the currency changeover on October 25, 2022

Currency Awareness Campaign Kicks Off in Gbarnga in Style

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The campaign targeted a listenership and readership of 2 million people through a broad range of media activities, including stakeholder engagement forums that are recorded for re-broadcast and livestreamed on the Facebook pages of the CBL and LMDI. Other media activities included jingles that were aired on community radio stations in all the 15 counties, radio talk shows, posters, and factsheets/flyers as well as billboards of the new banknotes and coins, mounted in 10 of the 15 counties.



Hon. Augustine Flomo
Deputy Minister for Economic Management
Ministry of Finance and Development Planning



The marching band that paraded the streets of Gbarnga



Chief Zanzan Kawah—Head of the Liberia Traditional Council



Mr. Paul Oliver, USAID-Liberia Economist



PCK - a prominent Liberian musician



Mr. Joseph Dean— A renown Liberian Comedian

Currency Awareness Campaign Goes Nationwide

Currency Awareness Campaign Goes Nationwide



CBL Executive Governor J. Aloysius Tarlue, Jr meets members of the Christian Association of the Blind in Vai Town, R2 Community (RIA Highway) on November 5, 2022, to explain the features for visually impaired on the new Liberian banknotes



Executive Governor Tarlue demonstrates how a visually impaired person can identify the various denominations of the new banknotes on November 5, 2022



Mr. Mussah Kamara, chairperson of the TCCR, speaking at a stakeholder engagement forum in Redlight Market in Buchanan, Grand Bassa County on October 12, 2022



Marketers preparing to ask questions during the stakeholder's engagement forum held on October 12, 2022 in Red Light Market, Buchanan, Grand Bassa County



CBL's Technical Committee for Currency Reform (TCCR) attending a stakeholder engagement forum in the Omega Market on September 7, 2022



Marketers attending a stakeholder engagement forum at the Omega Market, Montserrado County on September 7, 2022



Ready for action: TCCR Team members pose for a photo on the highway to Compound #2, Grand Bassa County on October 12, 2022



Marketers attending the stakeholder engagement forum at the Compound #2 Market in Grand Bassa County on October 12, 2022



The Superintendent of the Rally Town, Market Madam Elizabeth Sambolla, sits with team members of the TCCR during a major stakeholder engagement forum on September 12, 2022



Mr. Christopher S. Wallace explains the importance of the currency changeover process at the Rally Town Market on September 12, 2022



Residents of Suehn Mecca District, Boni County on October 18, 2022



Marketers of the Suehn Mecca Market surround Mr. Kofie as he explains the basics of the new banknotes on October 18, 2022 in Boni County

Currency Awareness Campaign Goes Nationwide

Currency Awareness Campaign Goes Nationwide



CBL TCCR team members ready to provide sensitization about the new Liberian currency during an awareness program in Edina, District #1, Grand Bassa County on October 10, 2022



Residents of Edina City in Grand Bassa County at the October 10, 2022 stakeholder engagement event



L-R: Messrs. Christopher Wallace, William Dargbeh and Bernard Jappah attending a stakeholder engagement forum in Bensonville, Montserrado County on September 19, 2022



A cross-section of Liberians attending a stakeholder engagement forum in Bensonville on September 19, 2022



(L-R) Messrs. William Dargbeh and Nathaniel Toe of CBL providing public awareness on Radio Gbehzo in Buchanan, Grand Bassa County on October 11, 2022



Mr. Mussah Kamara speaking on Radio Gbehzo in Buchanan, Grand Bassa County ahead of a major stakeholder awareness event on October 11, 2022



L-R: Messrs. Bernard Jappah, Christopher Wallace and Cyrus Badio attending a stakeholder engagement forum in Careysburg on September 21, 2022.



A cross-section of children at a market hall in Careysburg City take a glance at the posters displaying samples of the new banknotes on September 21, 2022



Senior students of Bassa High School in Buchanan, Grand Bassa County attending a currency awareness event on October 11, 2022



Mr. Mussah Kamara, chairperson of the TCCR (center), speaking to senior students of the Bassa High School in the auditorium of the school during a currency changeover awareness event in Buchanan, Grand Bassa County on October 11, 2022



Residents of Todee attending a stakeholder engagement forum on September 23, 2022



Residents of Todee attending a stakeholder engagement forum on September 23, 2022

Currency Awareness Campaign Goes Nationwide



Mr. Abednego Kofie explains to a group of youth about the importance of the security features on the new banknotes on September 26, 2022



LMDI's John Kollie moderates a stakeholder engagement forum as Mr. Dargbeh responds to questions from marketers in Moulton Comer Market, Brewerville on September 26, 2022



CBL's TCCR team members mingle with marketers of Duala Market, Montserrado County on September 27, 2022



Mr. Wallace explains the significance of the new Liberian currency to marketers in Duala market on September 27, 2022



Mr. William N. Dargbeh speaks at the Caldwell Bompur Central Market on September 29, 2022



Marketers, including children, listening to a presentation by CBL staff during a stakeholder engagement forum in Bompur Central Caldwell Market on September 29, 2022

Currency Awareness Campaign Goes Nationwide



Mr. Wallace speaking during an awareness event on the new Liberian currency in Weala, Margibi County on October 4, 2022



Residents of Weala, Margibi County attending a late evening awareness program on the new Liberian currency on October 4, 2022



Mr. Bernard Jappah speaks to stakeholders at the Harbel Market, Margibi County on October 5, 2022



Marketers listening to explanation by CBL staff during an engagement event in Harbel Market, Margibi County on October 5, 2022



Residents of Mambahn Civil Compound, Margibi County attending a currency awareness event on October 6, 2022



A lady speaks as Mr. John Kollie of LMDI pays keen attention during a currency awareness event in Mambahn Civil Compound, Margibi County on October 6, 2022