

# CENTRAL BANK OF LIBERIA



## POLICY STATEMENT 2026

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## FOREWORD

The year 2025 was marked by resilience in the global economy despite persistent uncertainties, evolving trade and financial conditions, geopolitical tensions, and fluctuations in commodity markets. For Liberia, these developments presented both opportunities and risks, particularly through their impact on commodity prices, exchange rate dynamics, import payments, remittance inflows, and financial market conditions. Liberia remains vulnerable to external shocks. In this context, the Central Bank of Liberia (CBL) will maintain a cautiously tight policy stance in 2026 aimed at preserving macroeconomic stability and strengthening resilience to risks.

The Liberian economy strengthened in 2025, with real GDP growth of 5.1 percent, compared to 4.0 percent in 2024, driven primarily by strong performance in the mining & panning subsector. Price pressure declined significantly during the second half of the year. Although average headline inflation rose marginally to 8.5 percent, end-period inflation declined markedly to 4.0 percent in December 2025, reflecting improved domestic food supply, prudent liquidity management, anchored inflation expectations and broad exchange rate stability. These developments underscore the effectiveness of policy coordinated actions.

In 2025, the CBL implemented prudent monetary policy to contain inflation and exchange rate pressures while preserving financial system stability. The Monetary Policy Rate (MPR) was maintained at 17.0 percent in January 2025, increased to 17.25 percent in April, held constant in July, and reduced to 16.25 percent in October as inflationary pressures moderated. Complementary measures, including the reactivation of the interest rate corridor, CBL bill operations and reserve requirements, supported effective liquidity management, policy signaling, and market confidence. Policy decisions continued to be guided by developments in inflation forecast, exchange rate conditions, liquidity dynamics, reserve adequacy consideration and broader macro-financial assessments.

The financial sector remained broadly stable, liquid, and well-capitalized. The banking industry reported a capital adequacy ratio of 37.9 percent and a liquidity ratio of 50.0 percent, both well above regulatory thresholds of 10.0 percent and 15.0 percent, respectively. The non-performing loans (NPL) ratio declined to 12.6 percent from 19.7 percent in 2024, reflecting improvements in asset quality, although the ratio remained above the regulatory threshold of 10 percent. To strengthen financial sector resilience, the bank enhanced surveillance and risk based supervisory oversight, while closely monitoring credit, liquidity, cyber security, and operational risks. Payment system modernization also advanced with the rollout of the Pan-African Payment and Settlement System (PAPSS), the Inclusive Instant Payment System (IIPS), and ongoing reforms in digital financial services including modernization of the National Electronic Payments Switch (NEPS). These reforms were complemented by initiatives to strengthen operational resilience, interoperability, and consumer protection across the financial sector.

The implementation of the current CBL Strategic Plan (2025–2029) provides the Bank with a forward-looking framework anchored on price stability, financial stability, financial inclusion and digital financial services, regional integration, and operational efficiency. The Plan’s theme, “Optimal Use of

Technology for Macroeconomic Stability and Inclusive Economic Growth,” underscores the Bank’s commitment to leveraging innovation to strengthen governance, enhance data systems, and promote efficiency and drive financial inclusion. The Strategic Plan also incorporates measurable performance indicators and monitoring mechanisms to assess policy effectiveness and progress toward the Bank’s core objectives.

Looking ahead, the Bank’s policy direction for 2026 will remain focused on maintaining price stability, sustaining macroeconomic stability, strengthening reserve adequacy, deepening financial markets, safeguarding financial sector soundness, modernizing payment systems, promoting financial inclusion, and ensuring the availability of high-quality Liberian currency, among others. In pursuing these objectives, the CBL will continue to strengthen reserve buffers in line with international reserve adequacy benchmarks and import cover requirements, while maintaining a market-based exchange rate regime. The CBL will continue to strengthen engagement with key stakeholders, including the Government of Liberia, financial institutions, development partners, and the private sector, to support effective policy implementation and sustained macroeconomic stability. These efforts will be reinforced through strengthened monetary-fiscal policy coordination, enhanced policy communication, and regular policy effectiveness assessments.

On behalf of the Board of Governors, Management, and Staff of the CBL, I extend sincere appreciation to the Government of Liberia, development partners, financial institutions, and the public for their continued support and collaboration in advancing the Bank’s statutory mandate.

In closing, I want to re-emphasize our commitment to building a central bank based on the principles of high ethical standards, transparency, and accountability. These principles will continue to be reinforced through strengthened governance, effective risk management systems, robust internal controls, and compliance frameworks consistent with central banking standards and practices.

Signed:



Henry F. Saamoi  
**Executive Governor**

## **1. INTRODUCTION**

Consistent with the Amended and Restated Act Establishing the Central Bank of Liberia (2020), the Central Bank of Liberia (CBL) is required, after the close of each financial year, to submit to the Government, through the President, its Annual Financial Report and Policy Statement. The Policy Statement provides a review and assessment of monetary policy implementation, an evaluation of macroeconomic and financial conditions, and an explanation of the monetary, financial, and operational policies during the preceding year, as well as the policy direction of the Bank for the current year. It also reinforces accountability, policy credibility, and institutional independence in the discharge of the Bank's statutory mandate.

The Policy Statement remains an important instrument of transparency and forward guidance. It provides the public, policymakers, financial institutions, investors, development partners, and other stakeholders with a clear understanding of the Bank's assessment of macroeconomic and financial developments. It also gives the rationale for major policy actions, and the policy direction required to safeguard price stability, financial stability, and public confidence in the financial system, supported by strengthened data and analytical frameworks for evidence-based policymaking.

This Policy Statement reviews macroeconomic and financial developments in 2025 and outlines the Bank's policy direction for 2026. It is structured around macroeconomic and financial developments; major policies, regulatory and operational decisions undertaken during 2025; emerging macroeconomic challenges and financial sector risks; and the Bank's priority policy actions for 2026. These priorities cover monetary policy and operations, inflation and exchange rate management, financial markets development, financial sector supervision, payment systems modernization, development finance, financial inclusion, digital financial services, currency management, and related operational reforms. The policy direction is aligned with the CBL Strategic Plan 2025–2029 and reflects the Bank's commitment to strengthening policy effectiveness, institutional resilience, financial sector soundness, and inclusive economic development, supported by ongoing monitoring and evaluation of policy outcomes against strategic objectives.

## **2. MACROECONOMIC AND FINANCIAL SECTOR PERFORMANCE IN 2025**

Macroeconomic performance in 2025 was generally favorable, despite structural constraints and elevated uncertainty in the first half of the year. Real GDP growth strengthened to an estimated 5.1 percent in 2025, from 4.0 percent in 2024. The expansion was driven mainly by the primary sector, particularly mining & panning, while services provided additional support to the resilience of the domestic economy. Agriculture also remained an important source of employment and livelihood, although structural constraints continued to limit productivity and diversification.

Price developments showed a clear improvement during the second half of the year. Inflation rose during the first half of 2025, mainly reflecting exchange rate pass-through and supply-side constraints. However, disinflation gained momentum in the second half of the year supported by appreciation of the domestic currency, prudent CBL liquidity management, an increased domestic food supply, and easing global food and fuel prices. Average headline inflation stood at 8.5 percent in 2025, while end-

period inflation moderated significantly to 4.0 percent at end December 2025 from 10.7 percent corresponding period of 2024.

Exchange rate developments reflected both seasonal pressures and improved market conditions. The Liberian dollar came under pressure during the first half of the year due to increased foreign exchange demand for import payments, particularly following the festive season. However, the currency stabilized and appreciated during the second half of the year, supported by improved remittance inflows, stronger export receipts and market confidence. The period-average exchange rate was L\$192.98 per US dollar in 2025, while the end-period exchange rate appreciated to L\$178.66 per US dollar.

Monetary developments reflected the Bank's calibrated policy stance. Broad money supply expanded to L\$289.19 billion at end 2025, from L\$247.19 billion at end December 2024, reflecting growth in both net foreign assets and net domestic assets. Despite this expansion, monetary policy operations helped contain inflationary pressures while supporting relative exchange rate stability. Nevertheless, elevated financial dollarization continued to constrain the effectiveness of monetary policy transmission. Credit to the economy remained subdued during 2025. Total commercial bank credit declined marginally by 0.7 percent to L\$102.33 billion at end-December 2025, equivalent to 10.2 percent of GDP, from L\$103.01 billion at end-December 2024. The marginal decline in total commercial bank credit was partly driven by exchange rate appreciation and a reduction in the stock of credit extended to the public sector. Private sector credit stood at L\$101.26 billion, broadly unchanged from the previous year. Trade remained the largest recipient of credit, followed by services and personal loans, indicating continued concentration of credit in short-term and commerce-related activities rather than long-term productive sectors. This continued to limit the contribution of financial intermediation to private sector-led growth and economic transformation.

The credit structure also remained highly dollarized, with over 90 percent of total bank credit denominated in U.S. dollars. This elevated level of dollarization continued to pose significant challenges to the effective transmission of monetary policy, as movements in domestic liquidity and interest rates have limited influence on credit conditions, which are largely driven by foreign-currency transactions.

External sector developments were broadly favorable but remained vulnerable to Liberia's import dependence and commodity exposure. The current account recorded a surplus of 1.5 percent of GDP in 2025, down from 2.5 percent in 2024. Export receipts increased, supported by gold, iron ore, and other commodity exports, with import payments also rising. Gross international reserves improved, although reserve adequacy remained a policy priority given the need to strengthen buffers against external shocks, as the Bank continued its efforts to strengthen external buffers toward internationally accepted adequacy levels.

Financial market operations strengthened in 2025. The CBL continued to issue bills with tenors of two weeks, one month, and three months to support liquidity management and policy transmission. Total CBL bills issued increased to L\$205.21 billion in 2025, from L\$70.38 billion in 2024, while total redemptions increased to L\$205.48 billion. The interest rate corridor was reactivated, with the Standing Deposit Facility (SDF) and Standing Credit Facility (SCF) set at 7.5 percentage points below and 2.5

percentage points above the MPR, respectively. Total SDF transactions amounted to L\$210.91 billion, while SCF transactions totaled L\$287.85 million. These operations contributed to improved liquidity management, enhanced policy signaling, and deeper money market development.

The banking sector remained resilient. Gross assets increased to L\$386.59 billion, and net assets stood at L\$364.40 billion, accounting for depreciation and loan loss provisions. The industry's capital adequacy ratio increased to 37.9 percent, the liquidity ratio stood at 50.0 percent, and the NPL ratio declined to 12.6 percent. These developments indicate improved stability, profitability, and asset quality; however, the high NPL ratio, credit concentration, and elevated dollarization continued to present a significant challenge to financial intermediation.

The expansion of payment systems and digital financial services continued during 2025. The implementation of PAPSS supported regional payment integration, while the Inclusive Instant Payment System (IIPS) enhanced interoperability between major mobile money operators. These developments strengthened the foundation for a more inclusive and efficient payment ecosystem, particularly for underserved communities and small businesses. The Bank also continued efforts to strengthen cybersecurity, operational resilience, and consumer protection frameworks across the digital financial ecosystem.

### **3. SUMMARY OF THE KEY POLICY DECISIONS MADE IN 2025**

In 2025, the Bank implemented several policies, regulatory, and operational measures aimed at supporting price stability, safeguarding financial system stability, modernizing the national payment system, strengthening institutional capacity, promoting financial inclusion, enhancing financial integrity, and advancing regional integration. These decisions reflected the Bank's assessment of prevailing domestic and global economic conditions, the need to enhance monetary policy transmission, and the importance of preserving public confidence in the financial system. Key policy measures undertaken during the year included:

- Approval of the CBL Strategic Plan 2025-2029, which articulates the vision of the Bank. The plan aims at strengthening the Bank's role in advancing payments infrastructure and systems modernization, promoting monetary and financial stability, supporting digital transformation and financial inclusion, as well as enhancing institutional capacity, and operational efficiency.
- Implementation of a relatively tight monetary policy stance. The Bank maintained the MPR at 17.0 percent in the first quarter, increased it to 17.25 percent in the second quarter, and held it at that level in the third quarter. In the fourth quarter, the MPR was reduced to 16.25 percent as inflation and exchange rate conditions improved. These policy measures supported the achievement of the bank's objective of maintaining inflation within single-digit levels.
- Maintaining RRRs at 25.0 percent for Liberian dollar deposits and 10.0 percent for United States dollar deposits to support liquidity management and monetary policy implementation.

- Reintroducing and maintaining the SDF at MPR minus 7.5 percentage points and the SCF at MPR plus 2.5 percentage points to improve policy transmission, support interbank liquidity management and strengthen short term interest rate formation.
- Approval of the transition of the CBL Insurance Department into an independent Liberia Insurance Commission. The Bank supported the Act establishing an Independent Insurance Commission, aimed at strengthening regulatory oversight and enhancing the development and stability of the insurance sector.
- Approval of a standardized two percent (2%) mobile money cash-out fee for licensed mobile money operators to ensure transparent and equitable pricing aimed at promoting the wider usage of mobile money services and strengthen consumer confidence.
- Approval of regulations governing insurance-backed court bonds to strengthen financial integrity, transparency in the insurance market and confidence in judicial financial guarantees.
- Advancement of the regulations on check codification and Magnetic Ink Character Recognition standards (MICR) to strengthen secure and interoperable check processing.
- Advancement of the payment systems modernization through PAPSS, IIPS, and digital financial services reforms and supporting infrastructure to improve interoperability, efficiency, regional integration, and financial inclusion.
- Supporting reserve diversification, strengthening resilience to external shocks, and enhancing long term reserve management through preparatory work toward incorporating gold into international reserves.
- Approval of the amendment of the Emergency Liquidity Assistance Regulations to strengthen the lender-of-last resort function of the Bank, enhance crisis preparedness, and promote financial stability
- Approval of collateral frameworks for monetary policy operations and emergency liquidity assistance to safeguard the Bank's financial resources and strengthen risk management.
- Support the passage of the Bank-Financial Institutions and Bank-Financial Holding Companies Act of 2025 and commencement of preparatory work for the establishment of the Financial Stability Unit, Deposit Protection Fund, National Electronic Payment Switch (NEPS), strengthened AML/CFT supervision, and the National Financial Inclusion and Education Strategy (NFIES) 2026–2030 to enhance financial stability, financial inclusion, consumer protection, and financial sector development.

#### **4. MACROECONOMIC CHALLENGES AND FINANCIAL SECTOR RISKS IN 2025**

Despite the positive macroeconomic performance in 2025, several challenges and risks persisted. Liberia, as a small, open, and import-dependent economy, is exposed to global commodity price fluctuations, geopolitical developments, trade policy uncertainty, shifts in global financial conditions, climate related shocks, and global supply chain disruptions. Changes in the prices of Liberia's major export and import commodities continue to influence export earnings, import payments, inflation, and exchange rate developments.

High dollarization supported by the dual currency regime remains one of the most important structural constraints to monetary policy implementation, thereby weakening monetary policy transmission and increasing vulnerabilities to exchange rate risks.

Import dependence continues to exert pressure on the foreign exchange market. High demand for imported goods, such as petroleum products, rice, other food items, and intermediate inputs, generates high demand for U.S. dollars. Improving domestic production competitiveness through manufacturing (including agro-processing) and export diversification could potentially mitigate the demand for foreign exchange to facilitate import payments and strengthen external sector resilience.

Infrastructure constraints, particularly energy, roads, logistics, and digital infrastructure, continue to limit productivity, competitiveness, private sector investment, access to finance and financial inclusion. These constraints affect the ability of agriculture, manufacturing, and Micro, Small and Medium Enterprises (MSMEs) to scale operations, reduce import dependence, and generate diversified export earnings.

Notwithstanding the strong and resilient financial sector, risks to the sector persisted. Although the NPL ratio declined to 12.6 percent at end-2025, it remained above the prudential threshold of 10 percent and continues to pose the most significant risk to the stability of the financial system and the single most important binding constraint to credit to the private sector, which is considered "the engine of growth". Credit concentration in trade, services, and personal loans also highlight the need for stronger intermediation toward productive sectors. Cybersecurity and operational risks were increasingly relevant as digital financial services and payment system infrastructure expand over time.

The external sector was resilient, yet risks remained heightened. Although the current account stayed in surplus, rising import payments placed pressure on reserve adequacy, given Liberia's dependence on a narrow range of commodity exports. Fiscal risks also required close monitoring and coordination, given the liquidity implications of changes in government operations.

The CBL will continue to respond to these risks through prudent monetary policy, strengthened macro-financial surveillance, close fiscal and monetary coordination, enhanced supervisory oversight, strengthened crisis preparedness, improved data and analytical capacity, deeper financial markets operations, financial sector reforms, and continued engagement with stakeholders and development partners.

## **5. POLICY DIRECTION FOR 2026**

The overarching policy direction of the CBL in 2026 is to preserve price stability, safeguard financial sector soundness, improve data management and evidence-based policymaking, strengthen public confidence in the monetary and financial system, and reinforce policy credibility. In line with its statutory mandate and the CBL Strategic Plan 2025–2029, the Bank will continue to enhance monetary policy effectiveness, deepen financial markets, modernize payment systems, advance financial inclusion, strengthen development finance, improve currency management, support digital transformation, governance and transparency.

The financial sector priorities will focus on implementation on the implementation of key recommendations of the Financial Sector Assessment Program (FSAP) conducted in 2025, including taking steps to address the perennial NPLs problem, deposit protection, financial integrity and AML/CFT compliance. The bank has established a dedicated Financial Stability Unit to support financial stability surveillance, systemic risk monitoring, crisis preparedness and implementation of a resolution framework.

The Bank will use its core policy instruments, including the MPR, CBL bills, reserve requirements, the interest rate corridor, and when necessary, foreign exchange operations, to manage Liberian dollar liquidity, strengthen policy transmission, and support macroeconomic stability, strengthen reserve adequacy and anchor inflation expectations. Additionally, the Bank will enhance monetary policy communication to anchor inflation expectations.

Financial sector priorities will focus on risk-based supervision, prudential regulation, corporate governance, crisis preparedness, deposit protection, AML/CFT compliance, consumer protection, and enhancement of the supervisory framework and implementation of a macroprudential framework to monitor and respond to macro-financial risks and systemic issues. The Bank will operationalize a resolution framework to enable timely and cost-effective resolutions of distressed financial institutions. The Bank has established a dedicated Financial Stability Unit to oversee the implementation of this framework. The Bank will institute measures to address key risks related to NPLs, credit concentration, cybersecurity, and operational resilience, including preparation for the operationalization of the Deposit Protection Fund and gradual adoption of Basel aligned supervisory standards.

The CBL will continue to modernize payment and settlement systems by strengthening the legal and regulatory framework and deepening interoperability through the advancement of the Inclusive Instant Payment System (IIPS) implementation and developing the National Electronic Payment Switch (NEPS). These actions will further support PAPSS and regional payment integration, enhancing cybersecurity, data governance, and consumer protection.

Development finance, in collaboration with partners, will focus on expanding access to finance for MSMEs, rural communities, women, youth, climate resilient enterprises and other underserved groups. Financial literacy, Village, Savings and Loan Associations (VSLAs), credit unions, productive-sector financing, and climate-finance reforms will also be supported.

Currency management will remain a key operational priority, with emphasis on ensuring adequate, clean, secure, and fit-for-purpose Liberian dollar banknotes and coins, implementing the Clean Note Policy, strengthening anti-counterfeit measures, and promoting digital payments to gradually reduce

excessive dependence on cash and improve payment system efficiency. The Bank will also strengthen strategic partnerships, governance, transparency, accountability, research capacity, stakeholder engagement, and public communication to enhance policy credibility and support Liberia’s broader macroeconomic stability and inclusive development objectives. The Bank would also develop a draft roadmap to de-dollarization, as a way of promoting the wider use of Liberian dollar.

## **5.1 MONETARY POLICY AND MONETARY POLICY OPERATIONS**

In 2026, the CBL will continue with its prudent, data-driven monetary policy, guided by decisions of the Monetary Policy Committee. Amidst the risks from global uncertainty, import dependence and exchange rate pass-through and external shocks, the CBL will maintain a policy stance consistent with anchoring inflation expectations and keeping inflation within single digits with the ultimate goal of meeting the ECOWAS convergence target of 5 percent in the medium term. The bank will also seek to anchor inflation expectations, strengthen reserve adequacy, and support financial stability. The Monetary Policy thrust of the Bank will be guided by inflation forecasts, exchange rate developments, monetary conditions, fiscal developments, real sector performance, external sector developments, and financial stability considerations, while addressing challenges associated with the highly dollarized nature of the economy.

The Bank will continue to use CBL bills, reserve requirement ratios, and the interest rate corridor as key instruments for managing liquidity and signaling the policy stance, supported by strengthened liquidity forecasting and liquidity management. CBL bills will remain an important operational instrument, with two-week bills supporting short-term liquidity management and price discovery, while the one-month and three-month bills also support sterilization and market development. The Bank will progressively narrow the interest rate corridor—from the current 10 to 5 percentage points by end-2026—to strengthen policy transmission and improve short-term interest rate convergence. This will further support interbank market development and improve monetary policy transmission.

The CBL will maintain forward guidance through monetary policy communication, stakeholder engagements, and periodic publication of policy decisions. The Bank will also continue to improve high-frequency data collection, enhance macroeconomic forecasting, and advance the development of the Forecasting and Policy Analysis System (FPAS) and strengthen data quality and analytical capacity to support evidence-based policymaking. Over the medium term, these reforms will support the transition from the current interest rate-based framework toward a more forward-looking monetary policy framework toward an Inflation Targeting Framework.

## **5.2 INFLATION EXPECTATIONS AND EXCHANGE RATE POLICY AND REGIME**

The CBL’s objective for 2026 is to keep inflation within single digits while gradually anchoring expectations around a lower and more stable medium-term path, consistent with the ECOWAS convergence target of not more than 5 percent and broader macroeconomic stability objective. Inflation monitoring will focus on headline inflation, food and non-food price developments, inflation expectations, exchange rate pass-through, fiscal liquidity conditions, imported inflation, and external commodity price movements.

The Bank will maintain Liberia’s floating exchange rate regime, allowing the exchange rate to reflect market fundamentals while intervening only when necessary to mitigate excessive volatility and disorderly market conditions. Foreign exchange interventions will be guided by liquidity conditions, reserve adequacy, market pressures, transparency and the objective of safeguarding price stability. In this regard, the Bank will work with the Ministry of Finance and Development Planning (MFDP) and Liberia Revenue Authority (LRA) to enhance the work of the Liquidity Working Group to strengthen fiscal-monetary coordination and liquidity forecasting.

To strengthen market intelligence, the Bank will continue to monitor business and consumer sentiments, conduct weighted-average exchange rate surveys, track foreign exchange market activity, and improve real-time reporting systems, amongst other measures. These measures will enhance the CBL’s ability to respond to emerging pressures, anchor inflation expectations, preserve market confidence and communicate policy actions clearly to the public and market participants.

### **5.3 FINANCIAL MARKETS POLICY FOR 2026**

Financial markets policy in 2026 will focus on improving liquidity management, enhancing monetary policy transmission, managing foreign exchange (FX) rate movements, strengthening FX reserve management, advancing domestic money and capital markets, promoting financial market-deepening and efficiency, and strengthening financial market surveillance.

The CBL will continue to implement monetary policy using the CBL bills and corridor system as approved by the Monetary Policy Committee. It will publish and implement an issuance calendar for CBL bills to improve market predictability, transparency and support investor participation. The Bank will support the development of the interbank market by encouraging transparent price discovery, stronger liquidity redistribution among commercial banks, and active use of the standing facilities, while supporting interbank market activity and secondary market development. Similarly, the CBL will continue its quarterly engagements with market participants to inform policy decisions and market-deepening interventions.

The Bank will prioritize financial market modernization, with a focus on strengthening foreign exchange monitoring and forecasting through digital platforms. It will also build capacity among market participants and CBL staff to ensure the effective utilization of the scripless securities settlement system (Depo/X), enabling primary and secondary market trading of debt securities. At the same time, the Bank will work with development partners and regional securities markets regulators to develop key regulatory frameworks and institutional capacity for the advancement of capital markets in Liberia. This will include key initiatives such as implementing the Pension Sector Intervention Project (PSIP) through consultancy support and developing an equity financing framework for MSMEs and youth entrepreneurs under the Youth Entrepreneurship and Investment Bank (YEIB). It will also involve establishing a domestic securities market regulatory framework—including provisions for bond issuance, primary market dealerships, and secondary market trading—to operationalize the Securities Markets Act (2016). The CBL will also continue close collaboration with the MFDP on government securities management and broader domestic debt market development.

The CBL will develop a foreign exchange intervention (FXI) policy to better manage the risks of disorderly FX market conditions and exchange rate volatility beyond acceptable limits, and to provide

clear guidance for foreign exchange market interventions through a transparent and rule-based framework that preserves foreign exchange reserves.

The Bank will also pursue enhanced foreign exchange reserve management and reserve adequacy, including the development and application of a Strategic Asset Allocation (SAA) Framework to ensure the reserves portfolio remains safe, liquid, and optimized for returns within acceptable risk limits, supported by capacity building and investment policy reforms. The CBL will also advance preparatory work toward incorporating gold into the international reserves portfolio as part of reserve diversification efforts for reserve accumulation and initiate the development of a Foreign Exchange Management Act to strengthen governance of the foreign exchange market. As part of the reform of the foreign exchange market, the Bank will implement new measures to reform the foreign exchange bureaus operations, working closely with relevant government institutions and industry association.

#### **5.4 CBL FINANCES FOR 2026**

The FY 2026 budget of the Central Bank of Liberia is strategically anchored on three core priorities: effective monetary policy implementation, strengthened institutional capacity, and accelerated financial sector modernization, including payment systems and currency management operations. These pillars reflect a forward-looking, policy-driven agenda aligned with the Bank's mandate and evolving economic landscape.

Total income is projected at approximately US\$38.2 million, while expenditure is estimated at US\$40.8 million, resulting in a financing gap. This outcome reflects deliberate policy interventions and strategic investments designed to support the Bank's statutory mandate. This gap is expected to be mitigated as the Bank intensifies efforts to enhance revenue generation and improve overall financial performance. A significant portion of the projected excess expenditure is attributable to interest payments associated with policy operations, particularly liquidity management through CBL bills. These costs represent a necessary component of monetary policy implementation and liquidity absorption operations. This underscores the Bank's firm commitment to maintaining price stability and anchoring exchange rate expectations.

Additionally, the budget prioritizes sustained investment in human capital development and institutional strengthening, alongside transformative initiatives aimed at deepening financial markets, modernizing payment systems, expanding digital financial services, cybersecurity, and digital transformation. These reforms are expected to promote greater financial inclusion, enhance regulatory effectiveness, service delivery, and institutional productivity and reinforce the resilience of the financial system over the medium term.

Although the Bank's financial position reflects the rising costs of these strategic interventions, the overall outlook remains positive. The Bank will continue to strengthen its balance sheet position, preserve capital and enhance risk management practices across its operations, while supporting policy objectives. Ongoing efficiency measures, expenditure rationalization, balance sheet optimization, and expanded revenue opportunities are anticipated to progressively strengthen financial sustainability. The Bank will continue to strengthen financial reporting and disclosure practices in line with applicable international standards.

The financial policy of the Bank is also anchored on a prudent and transparent procurement system to ensure that the financial resources of the Bank are efficiently used in support of the Bank’s mandate. Procurement processes will also be supported by strong internal controls, accountability mechanisms, and risks management practices to achieve value for money. Budget implementation and expenditure performance will be monitored regularly to ensure efficient utilization.

## **5.5 FINANCIAL SECTOR POLICIES**

Financial sector policy in 2026 will focus on implementation of key recommendations of the FSAP, including safeguarding the soundness, safety, integrity, resilience, and inclusiveness of the financial system, while promoting financial stability, depositor confidence and sustainable financial sector development. The CBL will continue to strengthen its regulatory and supervisory frameworks to support a stable, efficient, and inclusive financial sector, with emphasis on risk-based supervision, prudential regulation, corporate governance, credit quality, consumer protection, ethical market conduct, financial integrity, AML/CFT compliance and sound risk management practices. The Bank will also remain proactive in addressing emerging risks associated with the rapid growth of digital and electronic financial services by strengthening supervisory procedures, data reporting systems, and institutional capacity.

In furtherance to the enactment of the Bank-Financial Institutions and Bank-Financial Holding Companies Act of 2025, the CBL will review and amend existing regulations, directives, and guidelines to ensure alignment with the new Act. The Bank will also develop a roadmap toward the adoption and implementation of Basel II and Basel III frameworks, consistent with the size, complexity and risk profile of the Liberian financial system, while continuing to modernize supervisory tools capable of identifying and addressing risks and vulnerabilities within the banking system.

The Bank will develop and implement a macroprudential framework to monitor and respond to macro-financial risks and systemic issues, including emerging systemic vulnerabilities and contagion risks as well as a resolution framework to in a timely manner and cost-effectively resolve troubled or problem financial institutions. The Bank has established a dedicated unit to oversee the implementation of this framework.

### **Banking System Surveillance**

The CBL will intensify banking system surveillance through full-scope risk-based examinations of licensed commercial banks, targeted examinations of systemically important banks, quarterly stress testing, early warning indicators, climate related financial risks, concentration risk assessment and close monitoring of capital adequacy, liquidity, asset quality, earnings, sensitivity to market risk and liquidity stress testing. The Bank will also enhance surveillance of banks exhibiting weaknesses in key financial indicators and conduct targeted credit portfolio examinations to assess asset quality and overall loan performance.

In 2026, the CBL will maintain strong focus on reducing non-performing loans through legal and regulatory reforms, improving credit underwriting standards, strengthening loan classification and provisioning, and promoting sound corporate governance and risk management practices. In addition to promoting stronger recovery, restructuring and credit risk management, the Bank will also monitor

credit concentration, related-party exposures, foreign currency risks, cybersecurity readiness, operational resilience, and compliance with prudential regulations.

To strengthen banking sector resilience, the CBL increased the minimum capital requirement for commercial banks from US\$10.0 million to US\$15.0 million, effective December 31, 2026. The new capital requirement is expected to be staggered over three (3) years, December 2026 to December 2029, even though a number of banks do maintain higher capital positions than the new requirement. This reform is intended to improve the competitiveness, resilience, stability, and efficiency of the banking sector, while enhancing banks' capacity to support financial intermediation, financial inclusion, resilience to economic shocks and inclusive economic growth.

The Bank will also work toward enhancing or replacing the Valtech Regulatory and Compliance Supervisory Software, improve the quality and timeliness of regulatory data submitted by financial institutions, and transition to a more reliable bank data reporting tool. In addition, the CBL will ensure the regular publication of audited financial statements and statutory reports by banks and other financial institutions, prepare monthly and quarterly off-site surveillance reports, develop Quarterly Banking Sector Development Reports, and produce an Annual Financial Sector Development Report.

### **Non-Bank Financial Institutions**

The CBL will strengthen oversight of non-bank financial institutions, including microfinance institutions, rural community finance institutions (RCFIs), credit unions, non-bank credit-only institutions, foreign exchange bureaus, mobile money operators, and other licensed financial service providers, including emerging fintech service providers. Supervisory priorities will include licensing compliance, prudential reporting, consumer protection, operational resilience, governance, and the formalization of community-based financial institutions to support financial inclusion.

In 2026, the Bank will continue to strengthen the legal framework for the licensing, regulation, supervision, and resolution of other financial institutions to promote safety, soundness, and customer protection. In this regard, the Bank will commence work on the development of a separate legal framework for non-bank financial institutions. The CBL will conduct full-scope on-site examinations of RCFIs, support capacity building for microfinance institutions, credit unions, and rural community finance institutions, and profile non-bank credit-only institutions using the risk-based supervision approach.

The Bank will also advance the development of an automated non-bank financial institution reporting system to improve regulatory reporting, strengthen data quality, and support more effective supervision. In addition, the CBL will develop frameworks for the operationalization of reserve requirement implementation for deposit-taking microfinance institutions.

### **Consumer Protection and Market Conduct**

Consumer protection will remain a major supervisory priority in 2026. Consumer empowerment and financial literacy will complement this objective. The CBL will continue to promote trust and confidence in the financial sector by ensuring transparency, fair treatment, and adequate disclosure of

financial products and services. The Bank will strengthen its consumer protection framework, improve complaint-handling processes, and enhance institutional capacity to address consumer concerns across the financial sector.

The CBL will implement consumer awareness and sensitization programs to help customers understand their rights, obligations, digital financial services risks, and available redress mechanisms. The Bank will also continue engagement with national and international partners to enhance complaint-handling processes, including the development of automated tools and the use of Microsoft 365-based solutions for consumer protection and complaint management.

The CBL will also ensure that information needed by consumers to make informed decisions, such as fees, charges and critical loan information, is publicly displayed in the banking halls and other conspicuous locations at each bank or financial institution. The Bank will establish a forum to promote dialogue between consumer groups and financial services providers as a means of building mutual trust and confidence.

### **Crisis Preparedness, Financial Stability, and Bank Resolution**

The CBL will strengthen crisis preparedness and bank resolution arrangements through the implementation of the Crisis Management and Bank Resolution Framework. This framework provides tools for identifying problem banks, imposing corrective actions, applying resolution techniques, and executing exit strategies in a manner that preserves financial stability, protects depositors, and minimizes moral hazard and fiscal costs through timely and least cost resolution strategies. The bank will also promote recovery and resolution planning for systematically important financial institutions.

With the establishment of the Financial Stability Unit, the Bank in 2026 will deepen financial stability surveillance by identifying, assessing, and monitoring systemic risks; conducting system wide stress testing, developing macro financial stability surveillance tools, financial stability and early warning systems; preparing for and managing financial crises; coordinating with relevant authorities during period of financial crisis, and supporting bank restructuring and resolution strategies. These efforts will enhance CBL's capacity to safeguard the stability and resilience of the financial system.

### **Deposit Protection Fund**

In 2026, the CBL will continue to work toward operationalizing the Deposit Protection Fund (DPF) in line with the Bank Financial Institution Act (BFIA) 2025. The Bank has commenced the establishment of a Deposit Insurance Unit, which will perform key functions related to premium collection and fund management, depositor reimbursement, and public awareness initiatives. The Unit will also support the development of risk-based operational policies and procedures for the Fund. The DPF is expected to protect small depositors from loss in the event of a bank license revocation through timely reimbursement mechanisms and support the CBL's objective and strengthen depositor confidence.

The Bank will continue to engage the Office of the U.S. Treasury and other partners to develop the policies, guidelines, and manuals required for the effective operationalization of the DPF.

## **Collateral Registry and Credit Reference System**

The CBL will continue to strengthen the collateral registry and credit reference system to improve access to finance, reduce information asymmetry, and support lending to households, MSMEs, and productive sectors. The collateral registry has helped address collateral gaps by supporting the use of movable and non-traditional assets as collateral within the financial sector to reduce credit risk.

In collaboration with the International Finance Corporation, the CBL will enhance the regulatory framework for movable and immovable asset financing, automate collateral registry operations, promote asset-based lending, strengthen secured transactions framework and continue financial literacy and awareness programs. The Bank will also continue efforts to transition the credit reference system into a fully automated credit reference platform to strengthen credit risk management and improve lending decisions across the financial sector.

## **Anti Money Laundering and Combating the Financing of Terrorism (AML/CFT)**

The CBL will maintain a strong AML/CFT supervisory framework in line with domestic legal requirements and international standards. In 2026, the Bank will conduct AML/CFT risk assessments of banks and non-bank financial institutions, carry out full-scope on-site AML/CFT examinations of selected commercial banks, and amend the CBL AML/CFT Regulation No. CBL/RSD/002/2017.

The Bank will also strengthen the capacity of its AML/CFT Unit and enhance coordination with the Financial Intelligence Agency (FIA), Intergovernmental Action Against Money Laundering in West Africa (GIABA), the Financial Action Task Force (FATF), and other national and international stakeholders. These efforts will support the upcoming National Risk Assessment and prepare Liberia for GIABA's third round of mutual evaluations, while helping to prevent the misuse of the financial system for money laundering, terrorist financing, and related financial crimes.

## **5.6 PAYMENT SYSTEMS POLICIES FOR 2026**

The CBL payment systems policy in 2026 will focus on strengthening the legal, regulatory, and oversight framework; modernizing national payment infrastructure; deepening interoperability; promoting regional integration; strengthening cybersecurity and operational resilience; and enhancing consumer protection and market conduct. The Bank will fast-track reforms related to the new Act Adopting the Payment System Law of Liberia and the associated regulations and guidelines, develop risk-based oversight manuals and reporting templates, and strengthen dedicated digital financial services oversight and market conduct capacity within the CBL.

The CBL will continue to support the implementation and usage of the PAPSS to facilitate regional payments, lower transaction costs, and promote more efficient cross-border settlement. At the domestic level, the Bank will advance the development of the National Electronic Payment Switch (NEPS) to enable real-time, interoperable transactions across banks, mobile money operators, fintechs, and other licensed payment service providers. In this regard, all licensed payment service providers will be expected to connect to the NEPS, while bilateral integrations will be progressively replaced with centralized switching standards, standardized APIs, and ISO 20022-compliant messaging frameworks.

The Bank will also prioritize upgrades to core payment and settlement infrastructure, including data centers, the Real Time Gross Settlement System (RTGS), the Automated Clearing House (ACH), electronic funds transfer systems, government payment platforms, unique bank identity initiatives, and account mapper implementation. These reforms will support the digitization of government-to-person and person-to-government payments, integration of IFMIS/TSA with national payment infrastructure, reduction in cash dependency, and expansion of low-cost digital remittance channels.

Risk management and system resilience will remain central to payment systems policy. The CBL will implement prefunding and settlement risk controls, establish minimum uptime, disaster recovery, and business continuity standards, and require regular cybersecurity and operational resilience testing. The Bank will also establish clear incident reporting and escalation frameworks, strengthen data governance and privacy rules, and require compliance with recognized cybersecurity standards supported by periodic security audits and vulnerability assessments.

Digital financial services will remain a major policy priority. The Bank will promote innovation and ecosystem development while ensuring compliance with licensing, consumer protection, disclosure, pricing transparency, data protection, cybersecurity, operational resilience, and complaint-handling requirements. The CBL will also support regulatory pathways for digital savings, micro-credit, merchant payments, wage digitization, bill payments, agent banking, fintech participation through open APIs and sandbox approaches, and interoperable rather than proprietary product models.

To promote inclusion and public confidence, the Bank will strengthen consumer protection and market conduct frameworks by standardizing disclosure, pricing, dispute resolution, refund procedures, and liability allocation for fraud and failed transactions. The CBL will also promote national digital and financial literacy campaigns, expand agent networks, and target women, rural communities, and underserved groups through digital financial education and awareness programs.

Implementation will be supported by a dedicated steering mechanism, phased implementation timelines, measurable performance indicators, strengthened technical capacity within the CBL and industry participants, and structured public-private stakeholder engagement. Through these measures, the Bank will seek to build a more inclusive, secure, resilient, and efficient payment ecosystem that supports financial inclusion, economic modernization, and public confidence in Liberia's financial system.

## **5.7 DEVELOPMENT FINANCE POLICIES FOR 2026**

The CBL development finance policy in 2026 will focus on advancing financial inclusion, strengthening financial literacy, supporting MSMEs, and expanding access to finance for underserved groups, rural communities, and productive sectors. The Bank will continue to support the review and launch of the National Financial Inclusion and Education Strategy (NFIES) 2026–2030, which will provide the policy direction and coordination framework for government agencies, regulators, financial institutions, development partners, civil society, and other stakeholders involved in promoting inclusive finance in Liberia. This follows the progress made in 2025, including support from the Alliance for Financial Inclusion to review the 2020–2024 strategy and develop a new NFIES.

The CBL will continue to support nationwide financial literacy and awareness initiatives aimed at improving public understanding of digital finance, savings, responsible borrowing, consumer protection, and available financial products and services. These efforts will build on the gains recorded in 2025, when financial literacy campaigns contributed to increased awareness of digital finance, savings, and financial confidence. The Bank will also roll out financial literacy activities under the YEIB Project, with emphasis on supporting a conducive investment environment and strengthening insurance sector readiness.

The Bank will further advance the digitization, mapping, profiling, and formalization of VSLAs and credit unions. Following the completion of nationwide mapping and profiling in 2025, the CBL will use the national database to support capacity building, policy development, and stronger linkages between informal savings groups, regulated financial institutions, and digital financial channels. In 2026, the Bank will also conduct needs assessments of VSLAs and credit unions across the country and support activities leading to the establishment of a national apex body through which the CBL can coordinate and collaborate with these institutions.

The CBL will continue to pursue development finance initiatives aimed at addressing long-term financing gaps in MSMEs, agriculture, mortgage finance, tourism, youth entrepreneurship, and other productive sectors. The Bank will scale up MSME financing through the World Bank-supported LIFT Project and the NEXTIER Project, with the latter prioritizing mortgage, agriculture, tourism, and other productive sector financing. These interventions will build on the successful completion of Phase I of the MSME Line of Credit under the LIFT Project, through which US\$2.5 million was disbursed through financial institutions to benefit about 112 MSMEs nationwide.

Climate and green finance reforms will also remain a key priority in 2026. The Bank will roll out the roadmap for climate financing, pursue admission and active participation in the Network for Greening the Financial System, and mobilize climate finance to support Liberia's transition toward a more sustainable and resilient financial sector. Implementation of development finance initiatives will emphasize sound governance, collaboration with development partners, effective credit risk mitigation, capacity building, and consistency with the Bank's monetary policy and financial stability objectives.

## **5.8 CURRENCY MANAGEMENT AND OPERATIONS**

Currency management will remain a critical operational and policy priority in 2026. Although the Bank will continue to deepen electronic payments and digital financial services, cash will remain an important medium of exchange in the Liberian economy, particularly for rural communities, informal sector transactions, market activities, and small-value payments.

In line with its statutory responsibility to ensure the adequate availability of clean, high-quality, and fit-for-purpose Liberian dollar banknotes and coins, the CBL will pursue legislative approval for the printing of additional Liberian dollar banknotes for the period 2026–2030, including the emergency printing of L\$19.4 billion. This action is intended to prevent cash shortages, replace mutilated and unfit notes, support public confidence, and ensure the smooth functioning of the payment system.

The currency printing program will be implemented alongside strengthened currency management reforms. These will include the full implementation of the Vault Management System (VMS) to

enhance currency reporting and forecasting, as well as the implementation of the Clean Note Policy. They will also cover the continued withdrawal and destruction of mutilated banknotes, improved currency forecasting, strengthened branch and cash hub coordination, and investment in automated banknote sorting, processing, packaging, and destruction systems, along with stronger internal controls and audit systems. As part of the effort to improve currency management operations, the Bank will also establish a dedicated Currency Management Unit to oversee the full currency lifecycle and improve efficiency, accountability, and transparency of cash operations.

Additionally, the CBL will enhance its strategic coin infusion program to promote the wider use of coins by the public, particularly small-value traders. This will be supported by investment in coin processing and packaging equipment to enhance coin issuance, recirculation, and public acceptance.

The Bank will also strengthen anti-counterfeit measures to protect the integrity of Liberian dollar and U.S. dollar currencies in circulation, while streamlining over-the-counter cash withdrawal procedures to reduce operational risks and implement electronic debit and credit email alert on all customer accounts to guard against unauthorized withdrawals. Over the medium term, the CBL will continue to promote digital payments as a complementary strategy to reduce excessive dependence on cash and support a more efficient, secure, and inclusive payment ecosystem.

## **6.0 BUILDING STRATEGIC PARTNERSHIPS**

Given the critical nature of the CBL's mandate, strategic partnerships will remain central to the Bank's policy and operational effectiveness in 2026. The CBL will continue to strengthen collaboration with regional central banks, development partners, relevant government ministries and agencies, and regional institutions to support policy advisory, technical capacity building, institutional modernization, and the implementation of key reform initiatives.

In line with the CBL Strategic Plan 2025–2029, the Bank will build on existing partnerships and explore new areas of cooperation that support price stability, financial stability, financial inclusion, payment systems modernization, and regional integration. Collaboration with regional central banks will focus on knowledge sharing, peer learning, technical assistance, and policy dialogue on contemporary central banking issues, including monetary policy operations, financial stability, digital financial services, payment systems, and reserve management.

Engagement with development partners will focus on mobilizing technical and financial support for critical infrastructure, financial sector deepening, institutional capacity building, digital transformation, climate and green finance, and inclusive financial sector development. These partnerships will be particularly important in supporting reforms related to payment systems modernization, financial inclusion, supervisory capacity, cybersecurity, and financial market development.

The Bank will also strengthen cooperation and coordination with relevant government ministries and agencies, including the Ministry of Finance and Development Planning, Financial Intelligence Agency, Ministry of Commerce and Industry, Liberia Telecommunications Authority, and other public sector institutions. These engagements will support policy coherence and coordinated implementation of

activities aimed at achieving macroeconomic stability, sustainable growth, employment creation, financial integrity, and inclusive development.

In support of regional integration, the CBL will continue to participate in and advance ECOWAS and WAMZ initiatives, including the ECOWAS Single Currency Program, regional trade facilitation, cross-border payments, and payment systems integration. The Bank will also continue to support initiatives that promote efficient regional settlement arrangements, including the use of regional payment platforms and cooperation among central banks.

## **7.0 COMMITMENT TO TRANSPARENCY, ACCOUNTABILITY, AND HIGH ETHICAL STANDARDS**

As one of Liberia's key integrity institutions, custodian of public resources, and regulator of financial institutions, the CBL recognizes the importance of leading by example. Transparency, accountability, ethical conduct, and sound governance will remain fundamental principles guiding the Bank's operations, policy decisions, and stakeholder engagements.

In 2026, the Bank will continue to ensure full adherence to the provisions of the Amended and Restated Central Bank of Liberia Act of 2020, applicable national laws, the National Code of Conduct, and the Bank's internal Code of Ethics. The CBL will also continue to align its governance and transparency practices with relevant international standards, including good practices on central bank governance, financial sector oversight, and transparency, where applicable to the Liberian context.

The Bank will strengthen its monitoring and accountability framework to improve institutional performance, internal controls, risk management, and compliance. It will also continue efforts to promote a transparent, credible, and value-for-money procurement system, including steps toward the adoption of electronic procurement as part of a broader institutional modernization.

Research, analysis, and communication will remain important pillars of transparency and public accountability. The CBL will continue to strengthen its research and analytical capacity to support evidence-based policymaking, while enhancing its communication strategy through media engagement, stakeholder outreach, public financial education, and timely dissemination of policy decisions.

The CBL's participation in the IMF Governance Diagnostic of Liberia reflects its commitment to institutional strengthening and continuous improvement. The Bank will follow through with relevant recommendations from the assessment to address governance weaknesses, strengthen internal processes, improve public trust, and reinforce confidence in the Bank and its work. In this regard, the ongoing review of the CBL Act will take into account recommendations from the assessment.

## CONCLUSION

The 2026 Policy Statement is anchored on the CBL’s continued commitment to price stability, financial stability, exchange rate stability, payment systems modernization, inclusive financial sector development, efficient currency management, transparency and accountability. The macroeconomic outcomes of 2025 demonstrated the benefits of disciplined policy implementation, prudent liquidity management, improved coordination, and forward-looking decision-making. Real GDP growth strengthened, end-period inflation declined significantly, the exchange rate stabilized in the second half of the year, and the banking sector remained broadly sound, liquid, and well capitalized, although important structural and financial sector risks persisted.

However, the outlook for 2026 remains subject to several risks, including global uncertainty, commodity price volatility, high non-performing loans, cybersecurity and operational risks, and potential fiscal liquidity pressures. These risks underscore the need for continued vigilance, stronger macro-financial surveillance, effective fiscal and monetary coordination, and proactive supervisory oversight.

In 2026, the CBL will continue to pursue prudent, data-driven, and forward-looking policies aimed at anchoring inflation expectations, sustaining exchange rate stability, strengthening reserve adequacy, deepening domestic financial markets, and enhancing monetary policy transmission. The Bank will also prioritize financial sector resilience through risk-based supervision, stronger prudential regulation, improved crisis preparedness, operationalization of the Deposit Protection Fund, strengthened AML/CFT supervision, and enhanced consumer protection framework.

At the same time, the Bank will advance payment systems modernization, digital financial services, interoperability, cybersecurity, financial inclusion, financial development, and access to finance for MSMEs, rural communities, and productive sectors. Currency management will remain a critical operational priority, with emphasis on ensuring adequate, clean, secure, and fit-for-purpose Liberian dollar banknotes and coins, while promoting digital payments. Collectively, these measures will support macroeconomic stability, strengthen public confidence, and contribute to Liberia’s broader development objectives under the ARREST Agenda for Inclusive Development.

The Bank will deepen collaboration with development partners, including the IMF, World Bank, African Development Bank, the Association of African Central Banks, ECOWAS Central Banks, and other regional institutions to mobilize technical support, strengthen institutional capacity, and accelerate key reforms in financial sector development and payment system modernization. These collaborations will enhance multilateral engagement, regional coordination and financial integration.

## Appendix: CBL Policy Statement Matrix

<b>Policy Area</b>	<b>Objective</b>	<b>Key Instruments / Tools</b>	<b>Expected Outcomes</b>	<b>Key Risks / Constraints</b>
Monetary Policy	Maintain price stability and anchor inflation expectations within single digits	MPR, CBL Bills, RRR, Interest Rate Corridor, FX operations	Lower inflation; improved credibility; reduced FX volatility	High dollarization; weak transmission; fiscal dominance; inflation target <10% near term with convergence to 5% ECOWAS
Exchange Rate Policy	Maintain exchange rate stability under floating regime	FX interventions, Liquidity Working Group, monitoring	Reduced volatility; FX confidence	Import dependence; speculative pressure; low reserves; FX sensitive to imports and commodities
Financial Stability	Safeguard financial system stability	Macroprudential tools, stress testing, Financial Stability Unit	Reduced systemic risk; resilience	High NPLs; credit concentration; cyber risk; NPL convergence toward $\leq 10\%$
Banking Supervision	Strengthen bank resilience and governance	Risk-based supervision, Basel II/III, capital adequacy rules	Stronger banks; improved asset quality	Governance gaps; capacity constraints; US\$15m capital phased 2026–2029
Crisis Management	Ensure orderly resolution of institutions	Resolution framework, ELA, crisis	Reduced moral hazard; depositor protection	Fiscal exposure; legal delays; early intervention gaps

		management tools		
Deposit Protection	Protect small depositors	Deposit Protection Fund, insurance premiums	Depositor confidence; reduced bank runs	Funding adequacy; operational readiness; DPF unit operationalization
Payment Systems	Efficient and secure payment infrastructure	NEPS, PAPSS, RTGS	Faster payments; inclusion; lower costs	Cyber risk; infrastructure failure; uptime resilience targets
Financial Inclusion	Expand access to financial services	NFIES 2026–2030, VSLAs, MSME credit	Increased inclusion; MSME growth	Low literacy; infrastructure gaps; digital account expansion targets
Development Finance	Support productive sector financing	LIFT, NEXTIER, guarantees, climate finance	Job creation; MSME expansion	Credit risk; funding constraints; climate finance mobilization targets
AML/CFT	Protect financial system integrity	Risk-based supervision, FIU coordination, FATF/GIABA compliance	Reduced illicit flows; stronger correspondent banking	Compliance gaps; enforcement challenges; FATF alignment
Currency Management	Ensure adequate secure cash supply	Printing program, Clean Note Policy, VMS	Adequate liquidity; currency integrity	Cash dependency; counterfeiting; L\$19.4bn emergency printing
Digital Finance	Promote innovation and stability	Sandbox, APIs, licensing frameworks	Innovation; competition; efficiency	Cyber risk; regulatory lag; fintech oversight framework

