CENTRAL BANK OF LIBERIA

STRATEGIC PLAN
2025-2029

"Optimal use of Technology for Macroeconomic Stability and Inclusive Economic Growth..."

FOREWORD

As the Executive Governor of the Central Bank of Liberia (CBL), it is my humble pleasure to launch this new strategic Plan (SP) of the CBL which would guide the direction of the Bank for the period 2025-2029. I, along with my colleagues both at the Executive Management level and the Board of Governors, assumed the leadership of the Bank at a critical time when the Bank's image was being threatened by governance and internal control issues, which were raised in the General Audit Commission's compliance report, the Kroll Forensic Audit, and the IMF's Safeguards Assessment Report.

As committed public servants, we took up the task to transform and rebrand the CBL with the aim of making the Bank an institution of public trust and confidence. We are committed to lead by example with priority on achieving the core mandates of the Bank as enshrined in the Amended and Restated CBL Act of 2020, and to seek the best interest of the Liberian people.

As we embark on the implementation of this new Strategic Plan, it is essential to acknowledge the invaluable contributions of the CBL toward the achievement of macroeconomic stability, financial stability, financial inclusion, and financial digitization in recent years. These accomplishments are evidently reflected in the data. We intend to build on these foundational achievements and create a resilient financial system.

For the first time, CBL has actively engaged key stakeholders from the private and public sectors as well as its partners in the development of its strategic plan. Our goal is to adopt and implement a plan that considers the interests and concerns of all stakeholders for inclusivity and collective ownership. In an economy like that of Liberia, understanding the needs and interests of those affected by the policy of the CBL is important for achieving our mandates. One of the critical challenges of the CBL is the weak transmission mechanism of our primary monetary policy instrument (CBL bills). This challenge is largely attributed to the dual currency and dollarized system of the economy, where at least 70 percent of the money supply is denominated in US dollars and over 90 percent of deposits are in US dollars. Addressing these challenges requires deliberate engagement with the relevant stakeholders, including the fiscal authorities and the Legislature, to develop a comprehensive roadmap aimed at achieving transaction and financial de-dollarization.

The Strategic Plan Committee's outreach to marketeers, the rural population and village savings and loans associations (VSLAs), the credit unions and others demonstrates our commitment to work with everyone in support of the Government's development agenda, the ARREST Agenda for Inclusive Development (AAID).

This new Strategic Plan is being launched at a critical moment as Liberia has recently signed a new 4-year Extended Credit Facility (ECF) program with the International Monetary Fund (IMF). This follows the challenging completion of a previous IMF Program, due mainly to significant fiscal challenges in the latter part of 2023.

The theme for this Strategic Plan, "Optimal Use of Technology for Macroeconomic Stability and Inclusive Economic Growth ," has been carefully adopted to reflect and represent the vision of the Executive Management Team and the Board of Governors, ensuring alignment with the institution's overarching goals and objectives.

Finally, on behalf of the Executive Management, I extend my sincere gratitude to the Board of Governors, the entire CBL family, and our valued stakeholders for their support and contribution throughout this process.

Henry F. Saamoi
Executive Governor

ACKNOWLEDGEMENT

In early August 2024, the Executive Management of the CBL set up a Strategic Planning Committee (SPC) to chart a new course for the Bank. The successful completion of the CBL's Strategic Plan (2025-2029) reflects the dedication and contributions of several individuals, institutions, and organizations.

In this regard, the CBL extends its profound appreciation to members of the SPC and the Secretariat for their exceptional dedication, expertise, and team spirit in this transformative effort. Your steadfast commitment represents a collective vision to ensure that this plan is both robust and aligned with the Bank's mission and long-term vision.

We also extend profound appreciation to our valued stakeholders and partners, including government ministries and agencies, private sector organizations, community groups, multilateral institutions, and donor partners. Your invaluable insights, feedback, and active engagements have enriched this plan, reflective of diverse perspectives to address both domestic and global challenges.

This Strategic Plan embodies a collective vision and shared commitment to advancing the mission and goals of the CBL. We are confident that its successful implementation will promote institutional growth and foster macroeconomic and financial stability in the Liberian economy.

Thank you for your outstanding dedication and contributions to this transformative initiative. We look forward to continuing collaboration in realizing this vision with excellence in all our endeavors.

Management of the CBL

ACRONYMS

AAID	*ARREST Agenda for Inclusive Development*
ACH	*Automated Clearing House*
ACP	*Automated Check Processing*
AfDB	*African Development Bank*
AML	*Anti-Money Laundering*
BCP	*Business Continuity Plans*
CBDC	*Central Bank Digital Currency*
CBL	*Central Bank of Liberia*
CBLCBC	*Central Bank of Liberia Capacity Building Center*
CFT	*Combating Financial Terrorism*
CICO	*Cash-In/ Cash-Out*
CIs	*Critical Initiatives*
CMF	*Crisis Management Framework*
CSD	*Central Securities Depository*
DFS	*Digital Financial Services*
ECF	Extended Credit Facility
ECOWAS	*Economic Community of West African States*
EPA	*Environmental Protection Agency*
ESG	*Environmental, Social and Governance*
FERIP	*Foreign Exchange Reserves Investment Policy*
FMD	*Financial Markets Department*
FPAS	*Forecasting and Policy Analysis System*
FSAP	*Financial Sector Assessment Program*
GAC	*General Auditing Commission*
GoL	*Government of Liberia*
IAD	*Internal Audit Department*
IFRS	*International Financial Reporting Standards*
IIP	*International Investment Position*
IT	*Inflation Targeting*
KPIs	*Key Performance Indicators*
LCUNA	*Liberia National Credit Union Association*
LIB-PSS	*Liberia Inter-bank Payment & Settlement System*
LMA	*Liberia Marketing Association*
LRA	*Liberia Revenue Authority*
LTA	*Liberia Telecommunication Authority*
M&E	*Monitoring and Evaluation*
MFDP	*Ministry of Finance and Development Planning*
MFI	*Microfinance Institutions*
MFS	*Mobile Financial Services*
MISTD	*Management Information System and Technology Department*
MOPT	*Ministry of Post and Telecommunications*
MPC	*Monetary Policy Committee*
MSMES	*Micro, Small and Medium-Sized Enterprises*
NAFEBOL	*National Association of Foreign Exchange Bureaus of Liberia*
NBFIs	*Non-Bank Financial Institutions*
NEPS	*National Electronic Payments Switch*
NGOs	*Non-Governmental Organizations*
NIR	*National Identification Registry*
NPLs	*Nonperforming Loans*
OpCo	*Operating Company*
PAPSS	*Pan African Payments and Settlement Systems*
PSD	Payment Systems Department
PWMD	*Proliferation of Weapons of Mass Destruction*
RBC	*Risk-Based Capital*
RBS	*Risk-Based Supervision*
RCFIs	*Rural Community Finance Institutions*
RPPD	*Research, Policy and Planning Department*
RSD	*Regulation and Supervision Department*
RTGS	*Real-time Gross Settlement*
SMEs	*Small and Medium-Sized Enterprises*
SP	*Strategic Plan*
SPM	*Strategic Plan Monitor*
USD	*United States Dollar*
vRegCoSS	*Valtech Regulatory Compliance Supervisory System*
VSLAs	*Village Savings and Loans Association*

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EXECUTIVE SUMMARY

This Strategic Plan (2025-2029) marks the third formal Strategic Plan since the CBL became operational in 2000. It is developed along the three cardinal and principal objectives enshrined in the CBL's Act : (1) promoting and maintaining price stability, (2) contributing to and promoting financial stability, and (3) supporting the economic policy of the government within the confines of its mandate.

The SP is aligned with the government's National Development Plan (2025-2029), the ARREST Agenda for Inclusive Development (AAID), Liberia's new IMF Extended Credit Facility (ECF) Program, the ECOWAS Monetary Integration Program, and other international principles such as the 3rd International Conference on Financing for Development (the Adidas Ababa Action Agenda, July 15, 2015) and the UN principles of Responsible Banking. The plan is structured around five strategic pillars: (1) Price Stability, (2) Regional Integration, (3) Operational Efficiency, (4) Financial Stability, and (5) Financial Inclusion and Digital Financial Services, which are premised on the core mandates of the Bank.

The plan seeks to support the AAID, which is based on six pillars: (1) economic transformation, (2) infrastructure development, (3) rule of law, (4) governance and anti-corruption, (5) environmental sustainability, and (6) human capacity development, representing the key economic and development policies of the government. In developing this plan, the CBL engaged various stakeholders with the primary objective of ensuring that the plan captures the public and stakeholders' expectations and understanding of the Bank's role in the management of the Liberian economy.

With a fast changing and transforming financial system driven by digitalization and technology, the role of the CBL as the APEX financial institution has become more critical and challenging. With increasing trend in electronic money and Central Bank Digital Currency, globally, the Central Bank of Liberia needs to position itself in responding to these evolving issues.

The new SP contains a total of 55 critical initiatives which include projects and programs to be achieved over the five-year period.

In year 1, sixteen (16) of the projects and programs are expected to be achieved; and in year 2, seventeen (17) are to be completed, with the remaining 22 to be completed over the period 2027-2029.

The total cost for full implementation of the SP is estimated at about L$11.46 billion (US$63.32 million at the prevailing exchange rate of L$180.98/US$1 on December 12, 2024). Based on the projected budget of the Bank for 2025-2029, there is an estimated funding gap of L$7.94 billion an equivalence of US$43.86 million.

To ensure effective implementation of the new SP, the Bank intends to put in place a robust monitoring and evaluation framework, aligning the budget with the SP to ensure successful implementation. Considering budget targets under the new IMF/ECF Program, the Bank will adopt strategies to leverage potential donor support and deepen collaboration with the government for financing of activities and projects in support of the AAID. To be assured of this realization, the Bank will set up a team to monitor the implementation of the plan, with a quarterly assessment report published on CBL's website and other media for public accountability and transparency.

CHAPTER 1.0: INTRODUCTION

The CBL's Strategic Plan for implementation over the next five years (2025-2029) is a comprehensive blueprint outlining the Bank's key priorities, initiatives, and objectives. To facilitate an in-depth understanding and enable stakeholders to navigate the document, this introductory section provides a systematic overview of how the document is structured. In the foreword, authored by the Executive Governor, there is reflection on the context and rationale behind the new strategic direction, highlighting the commitment of the CBL's leadership to fostering macroeconomic and financial sector stability in Liberia. It sets the tone for the Bank's overarching goals and its alignment with national and global financial trends. Following the foreword, the Executive Summary presents a snapshot of the entire plan, summarizing the strategic pillars, critical initiatives, and expected outcomes. This summary serves as a quick reference for an overview of the document.

Following this introductory chapter, Chapter 2.0 details the Vision, Mission, Mandates, and Values that serve as the guiding principles of the CBL. It includes the vision and mission statements, statutory mandates, core values, and the strategic pillars that serve as the foundation for the Bank's activities.

Chapter 3.0 highlights Environmental Scan and Situation Analysis, we Utilize PESTLE and SWOT analyses to examine the external and internal environments affecting the Bank. Additionally, we highlight the key socio-economic, political, technological, and environmental factors that shape the strategic landscape. Chapter 4.0 presents a reflective assessment of the achievements and challenges of the previous Strategic Plan (2021-2024), identifying lessons learned and areas for improvement.

Additionally, in Chapter 5.0 with Stakeholder Needs and Engagements, we summarize the feedback from diverse stakeholders, including government entities, financial institutions, rural communities, and development partners, emphasizing their expectations and areas of collaboration.

Chapter 6.0 Strategic Pillars and Objectives: This Chapter, which is the heart of the document, elaborates on the five strategic pillars—Domestic Price Stability, Financial Stability, Financial Inclusion & Digital Financial Services, Regional Integration, and Operational Efficiency. For each pillar, the chapter details specific initiatives, implementation timelines, and expected outcomes.

Monitoring, Evaluation, and Implementation Framework: A roadmap to ensure accountability and track progress is presented in Chapter 7. This section describes how the Bank will assess and adapt its initiatives, ensuring alignment with changing circumstances and stakeholder needs. Each section builds on the others, creating a logical and structured flow that aligns with the CBL's vision for delivering value to its stakeholders, while promoting economic stability and supporting growth in line with the Government's National Development Agenda, the ARREST Agenda.

This approach ensures that the document is not only informative but also actionable, providing a clear roadmap over the next five years.

CHAPTER 2.0: THEME, VISION, MISSION, MANDATES, CORE VALUES AND STRATEGIC PILLARS

2.1 Theme

Optimal use of technology for macroeconomic stability and inclusive economic growth.

2.2 Vision

To be a Central Bank of Excellence leveraging technological innovation to promote macroeconomic and financial stability.

2.3 Mission

To promote an efficient and resilient financial system that supports a stable monetary environment conducive for investment, economic growth, and the sustainable development of Liberia.

2.4 Statutory Mandates

a) To achieve and maintain domestic price stability in the Liberian economy by formulating and implementing the monetary policy of Liberia;

b) To contribute to fostering and maintaining a stable financial system by conducting and enforcing macroprudential policy; and

c) To support the general economic policy of the government, in keeping with its monetary policy mandate.

2.5 Core Values

- Integrity: Exhibiting honesty and upholding integrity in the discharge of our mandate with strong oversight and zero tolerance for questionable dealings;
- Fairness: Treating everyone impartially, offering unbiased and consistent assistance, and ensuring equal access to resources and tools;
- Innovation: Promoting creativity in all we do, applying unorthodox strategies to bring effective solutions to current and future economic challenges;
- Transparency: openness in all dealings, interactions, and decision-making. The implication of transparency is that all CBL's actions are scrupulous enough to withstand public scrutiny and engender confidence;

- **Teamwork:** Getting employees to cooperate, using their individual skills, and providing constructive feedback, despite any personal conflict between individuals. Embracing a diversity of views and talents to promote productivity and efficiency;

- **Inclusiveness:** Focusing on values that empower open-mindedness, promoting healthy conflict, valuing new perspectives, and avoiding judgmental attitudes. Cultivating a culture that fosters an environment with values and respects to all individuals;

- **Efficiency:** Optimizing the many processes and systems within the CBL to maximize productivity, while also minimizing costs and reducing errors in its delivery service.

2.6 Strategic Pillars

Price Stability

Regional Integration

Operational Efficiency

Financial Stability

Financial Inclusion and Digital Financial Services

CHAPTER 3.0: ENVIRONMENTAL SCAN AND SITUATION ANALYSES

3.1 PESTLE Analysis

3.1.1 Political Environment

Liberia has largely enjoyed political stability since the end of the civil strife in 2003, followed by ushering in of a democratically elected government in 2005. The country has had four successful elections, becoming one of the highly acclaimed countries with a strong record of peaceful transition from one government to another. Overall, the country has had peaceful governance and stable leadership for the period 2006-to date.

The CBL, as an independent and autonomous institution, is led by an Executive Management team comprising the Executive Governor, two Deputy Governors, and a Board of Governors with operational oversight. As enshrined in the constitution of the Republic, the President nominates and, with the consent of the Senate appoints and commissions the Executive Management and members of the Board of Governors of the CBL. They are responsible to discharge the functions of the Bank in accordance with the mandate of: (1) maintaining domestic price stability; (2) financial sector stability and; (3) may support the general economic policy of the government in keeping with its monetary policy mandate. In pursuing this mandate, the CBL is accountable to the Liberian people through the Legislature. As such, the CBL is required to "appear twice before the Joint Committee on Banking and Currency of both houses; and the first of such appearance shall be in February and the second in July of every year; and once before the separate Plenaries of the Houses of Representatives and the Senate in August of each year."

The existence and discharge of the function of the CBL is guided by the Act Establishing the CBL of 1999 and as amended and restated in 2020. Although the Act, under its autonomy provision states that "the Central Bank and its governors, officers and staff shall not take or seek to take instructions from any person or entity, including government entities in the exercise of their functions," the predominant operational risks faced by the Bank has resulted from fiscal dominance. Interferences often lead to disruption of procedures and processes, undermine and impede the effectiveness of the Bank's independence and autonomy.

Another profound constraint facing the Bank is the dual currency arrangement with the US dollar dominance in financial and economic transactions. This poses a challenge to the effective monetary policy implementation by the CBL and Liberia's preparedness for the ECOWAS Single Currency Project. To ease such constraints, an evidence-based study and a pragmatic implementation framework on de-dollarization supported by strong political will and commitment, is needed to allow the bank to exert full control on its monetary policy drive in the long run. Liberia continues to strive to meet the ECOWAS Convergence Criteria and structural reforms but with some challenges. Hence, the need for the political will and technical capacity to propel the country's ascension to the Single Currency Program.

3.1.2 Economic Factor

The Liberian economy is small and open, making it particularly vulnerable to external shocks, such as fluctuations in international commodity prices, changes in global financial conditions, geo-political tensions, etc. These external factors have transmission implications on the domestic economy through trade and financing channels, often affecting the balance of payments, government's fiscal operations, inflation outlook, and overall growth outcomes. The impact of external sector developments on the domestic economy necessitates consistent and coordinated monetary, fiscal, and structural policies to mitigate and contain their adverse effects for keeping the economy on a stable trajectory.

This plan is developed at a time the Liberian economy has been stabilized for the larger part of 2024. Inflation has remained in single digits since March 2024, while the exchange rate exhibited broad stability during the same period, fluctuating by about 3 percent, year-on-year. The Monetary Policy Rate was reduced from 20 percent in the first two quarters of 2024 and stood at 17.0 percent at the end of 2024 with expectation to further trend downward, primarily due to moderation in inflation. As at end-December 2024, import cover was expected to exceed the 2.3 months recorded as at end September 2024.

The current macroeconomic environment, characterized by the achievement of both internal and external equilibrium, provides a strong foundation for economic growth and development. Going forward, the focus of achieving and sustaining macroeconomic stability is necessary, but it may not be enough. We need to be more ambitious to grow the economy above the average growth of 4.8 percent attained over the period 2022-2024 and reduce poverty while at the same time guaranteeing long-term sustainable economic growth and development.

The financial sector continues to play an important role in supporting the growth and expansion of the private sector and promoting an inclusive financial system.

Credit extended to the private sector was L$76.2 billion in 2022. It grew by 20.7 percent in 2023 to L$91.9 billion and continue to expand in 2024 to L$101.2 billion. thanks to the policy reforms of the CBL over the years. However, the sector remains challenged with high and increasing levels of non-performing loans (NPLs). NPL ratio was 16.78 percent in 2022 and 18.1 percent in 2023 and further increased to 19.7 percent in 2024. This is undermining access to credit mainly in the productive sector as banks tend to be more cautious and risk adverse, partly due to tedious and costly drawn-out legal processes.

Table 1: Key Economic and Financial Indicators

Five -Year Trend of Key Economic & Financial Indicators					
Year	RGDP (millions of USD)	RGDP Growth	Private Sector Credits (billions of LRD)	Total Credits (Billions of LRD)	NPLs
2020	3,087.7	(3.0)	69.60	72.27	21.59%
2021	3,242.4	5.0	65.44	66.14	22.69%
2022	3,398.4	4.8	76.22	77.62	16.78%
2023	3,554.2	4.6	91.96	92.84	18.10%
2024	3,725.5	4.8	101.24	103.01	19.70%

Source: CBL

This strategic plan is also being mooted when the CBL is modernizing its monetary policy framework. Previously, the Bank utilized a backward-looking framework, which focused on historical exchange rate targeting in achieving its objective. The Bank is currently using a monetary targeting framework (with interest rate as its main monetary policy tool). As the plan progresses, particularly in its latter years, CBL will begin transitioning to an inflation targeting framework. To facilitate the transition, the Bank plans to adopt the Forecasting and Policy Analysis System (FPAS) as the main system for formulating and implementing monetary policy. This policy framework is forward looking, and the FPAS models advance the forecast paths for inflation, interest rate, growth and exchange rate.

The CBL is aware of its role in achieving the Government's development agenda, the AAID, and will ensure that it fully plays this role in the best interest of safeguarding the Liberian economy.

3.1.3 Socio- Cultural Factors

Liberia, like many other low-income and developing countries, is faced with several socio-cultural issues. These factors have in one way or form excluded a significant segment of the population from participating in the mainstream economy and benefiting from opportunities in the economy, including employment, access to finance and social protection programs. According to Liberia Poverty Assessment 2023 Report (Towards a More Inclusive Liberia), 3 out of 10 people in Monrovia are living in poverty, and the situation is significantly worse in rural areas, where 8 out of 10 individuals were affected by poverty in 2016. The CBL can play a crucial role in addressing poverty and unemployment by effectively achieving its mandates of price and financial stability and its third mandate of supporting economic growth through effective implementation of its development finance programs. Additionally, public trust mainly in the banking and insurance sub-sectors is crucial for financial stability and financial inclusion. The CBL will continue its efforts to build and maintain this trust through transparent and effective regulatory measures, including efficient consumer protection programs. Moreover, low levels of financial literacy impede the effectiveness of financial inclusion initiatives. That is why under the new strategic plan, CBL intends to support programs that will improve financial education. The Bank will also promote innovation aimed at unlocking opportunities tailored to address the specific needs of different stakeholders in the country, including promoting G2P and P2G, which is currently on a low scale. Under the World Bank's funded program, the CBL is working with MFDP to deploy an Account Mapper which will facilitate the ease of government's payments to civil servants.

3.1.4 Technological Factors

The CBL acknowledges technology as a transformative force for enhancing financial inclusion, efficiency, and security. As part of its modernization drive, the Bank is prioritizing automation of its internal processes, payment system advancements, and promotion of fintech partnerships. Moving forward, the Bank is also considering the automation of its banking operations and procurement activities, exploring Central Bank Digital Currency (CBDC) to reduce cash dependency and expand access to secure digital financial services, especially for the underserved populations. Modernizing the national payment infrastructure is also critical, facilitating real-time, interoperability, and cost-effective transactions across Liberia and cross-border, thus encouraging trade and supporting remittance flows. Also, the building of an integrated credit infrastructure (Credit Reference Bureau & a fully functional Collateral Registry for both movable & immovable assets) will significantly improve the credit environment and help curb the current level of NPLs, thereby improving credit to the private sector, which is the engine of growth.

Cybersecurity and operational resilience are critical components of the CBL's strategy to protect Liberia's digital financial ecosystem. As the financial sector becomes increasingly digitized, the CBL emphasizes robust cybersecurity frameworks to mitigate risks from fraud, data breaches, and cyberattacks, aiming to maintain public trust and ensure continuous service. Collaborative initiatives with financial institutions, technology providers, and telecoms will strengthen the national cybersecurity framework, bolster resilience, and protect the stability of digital transactions and payment systems.

As a further step in enhancing the automation of the internal processes at the CBL, the Bank will prioritize harmonization and synergy of the different solutions being used by the different departments, including virtualization, artificial intelligence and cloud computing.

3.1.5 Legal and Governance Factors

1. **Legal Mandate of the Central Bank:**

The primary legislation governing the mandate, functions and operations of the CBL is the Act Establishing the CBL 1999, as amended and restated in 2020. Other laws supporting the work of the Bank include:

(1) Financial Institutions Act of 1999*:* This law regulates the operations of banks and non-bank financial institutions within Liberia. It gives CBL the authority to license, supervise, and regulate commercial banks and other financial institutions. The Bank has submitted to the Legislature a new banking Act, which seeks to strengthen the regulatory and supervisory functions of the CBL leveraging on good international practices and the Basel Core Principles.

(2) An Act Adopting the New Payment System Law of Liberia provides a legal and regulatory framework for the operation, management, and oversight of payment systems in Liberia; This legislation facilitates access to secure and reliable payment services; promotes the efficiency, reliability, and security of payment systems, reducing the risks associated with transactions and ensures the legality and enforceability of payment system transactions and provides protection for users of these systems. This legal framework also provides the basis for automated check processing/automated clearing house (ACP/ACH) and real time gross settlement systems (RTGS).

(3) The Securities Markets Act of Liberia 2016: This legislation is aimed at regulating the securities market in Liberia. It provides a legal framework for the establishment and operation of securities exchanges, oversight of market participants, and protection of investors in Liberia's financial market. The Act is intended to promote transparency, market integrity, and investors' confidence in Liberia's securities industry. The Act outlines the requirements for licensing as well as regulating the activities of brokers, dealers, and other market participants involved in the buying and selling of securities.

(4) **The Central Securities Depository (CSD) Act of Liberia, 2016:** This is a significant legislative framework that establishes the legal and operational guidelines for the formation and functioning of a Central Securities Depository in Liberia. A CSD is a specialized financial institution responsible for holding securities such as stocks, bonds, and other financial instruments in electronic form, facilitating the settlement and transfer of these securities.

In the implementation of compliance with Anti-Money Laundering, Combating Financing of Terrorism and Proliferation of Weapons of Mass Destruction (AML/CFT/PWMD) standards across the financial sector, CBL collaborates with the Financial Intelligence Agency, in developing the AML/CFT/PWMD Act, regulations, guidelines and circulars issued by the Agency. The CBL regulatory powers are broad, encompassing its responsibilities in monetary policy, banking and financial sector supervision, consumer protection, financial stability, and the development of a sound and efficient financial system. These regulations are crucial for fostering a stable economic environment, ensuring investors and public confidence and promoting financial inclusion in Liberia. The CBL should constantly adapt its regulatory framework to evolving economic, financial, and technological challenges. The CBL also ensures that banking regulations align with international standards, such as the Basel Accords (Basel II, and III), which pertain to risk management, capital adequacy, and supervisory review processes.

However, the banking system continues to face challenges relating to speedy adjudication of cases against delinquent borrowers and foreclosure proceedings. This calls for a need to identify existing weaknesses and shortcomings to address this situation.

3.1.6 Environmental Factors

The CBL has an eleven-story building as its headquarters located on Ashmun and Lynch streets. This building hosts all thirteen (13) departments and three (3) autonomous sections across the three divisions of the Bank. There are twenty-nine (29) sections within the departments. Besides the headquarter, the Bank also has regional banking hubs in Gbarnga Bong County (Central Liberia), Fish Town, River Gee County (Southeast Liberia), Voinjama, Lofa County (Northern Liberia) and cash processing facility at Waterside, Montserrado County.

Given the growing demand to meet the liquidity needs of financial institutions, the CBL has over the past few years expanded its physical presence in three regions of the country, including Central region, Northern region and South-Easten region. The Bank is also upgrading its technological infrastructure, including its core banking software, and continues to develop its human capacity for efficient and effective delivery services to its clients.

Climate Change Impact: Liberia is vulnerable to climate change, which can impact the economy. This is why the CBL has considered environmental and climatic risks in its strategic planning processes. Considering the potential impact of environmental risk not only to the CBL, but the larger economy, the CBL is currently collaborating and working with key stakeholders, including the Environmental Protection Agency (EPA) in support of the national agenda for environmental resilience and sustainability.

Sustainable Finance: There is a growing need for policies that promote green financing and investments in sustainable projects, aligning with global trends. The CBL needs to ensure that the right policies are instituted to provide the necessary support.

Resource Management: Effective management of natural resources and environmental protection can contribute to economic stability, and the CBL should support financial policies that encourage sustainable resource use.

The CBL will also collaborate with other central banks and financial regulators within the region, as well as international organizations like the Network for Greening the Financial System (NGFS) to develop best practices and coordinate efforts on greening Liberia's financial system. Key focus areas will include, but not be limited to climate risk assessments and scenario analysis, micro-prudential supervision, investment portfolio management, data and disclosure requirements, policy incentives, data quality and availability, regulatory framework, and public awareness.

3.2 SWOT Analysis

3.2.1. Strengths

1 *Professional Staff*

A pool of trained and committed workforce dedicated to ongoing reform initiatives.

2 *Strong Regulatory System*

Legal powers and supervisory capabilities for the financial sector.

3 *Technological Focus*

Continuous infrastructure development and tech-driven environment.

4 *Research Capabilities*

Strong analytical skills in financial sector and monetary policies.

3.2.2 Weaknesses

Internal Challenges

- Inadequate/Weak communication and capacity issues in some critical functions
- Challenging internal control and governance issues, Low staff morale due to weak incentives and inadequate workplace tools, and
- Governance challenges

Financial Constraints

- Limited income sources and inadequate budget to support certain important projects;
- Low international reserves and limited financial infrastructure.

External Engagement

Limited public engagement and Insufficient efforts to increase public understanding about the Bank.

3.2.3 Opportunities

1 **Technological Advancements**

Leverage innovations for operational efficiency and expand financial inclusion through agent banking and supporting rural financial institutions.

2 **International Support**

IMF-ECF program and other donor and multilateral support including the World Bank, the US Treasury, African Development Bank, USAID etc.

3 **Financial Innovation**

Increasing expansion in Fintech services and products, enhancing national electronic systems and improving credit reference services as well as transforming informal financial institutions such as the VSLAs, leveraging digital technology.

4 **Economic Growth**

Strong short and medium-term growth projections, increasing economic activities and net remittance inflows.

3.2.4 Threats

Financial Constraints

Limited budget allocation and reduction in external grants pose challenges.

Infrastructure Issues

Limited IT infrastructure and energy supply challenges hinder operations.

Political Interference

Politicization of appointments and legislative oversight as well as fiscal dominance may impact independence.

Economic Challenges

Weak external position and high dollarization affect monetary policy effectiveness coupled with high NPLs which affect private sector credit.

CHAPTER 4.0: LOOKING BACK

4.1 Summary of Implementation of the Previous SP and Lessons Learned

For the previous SP (2021-2023), there were 103 approved projects with an additional 12 projects identified during the implementation phase. Price & Financial Stability (Pillar I) comprising 35 projects, accounting for 35% of the total projects; Integration & Digitization (Pillar II) comprising 23 projects accounted for 26%, and Rebranding CBL Image (Pillar III) comprising 45 projects accounted for 39%. Based on the assessment, 11 projects were completed under Pillar I, 9 projects were completed under Pillar II and 13 projects were completed under Pillar III.

Out of the 103 projects, 33 projects were fully completed at 100 percent, while 70 projects were at the average completion rate between zero percent to 94 percent. Based on the nature of the 103 projects, they were categorized under the broad themes as follows: (i) capacity building/training, (ii) infrastructure upgrade/deployment, (iii) policy design/formulation, and (iv) policy implementation).

The achievement level for capacity building/training was 51 percent; infrastructure upgrade/deployment was 73 percent; policy design/formulation was 83 percent; and policy implementation was 79 percent.

For the 103 projects, the total achievement rate was 71 percent.

Out of the 103 projects, 15 required technical assistance with 4 completed and 11 outstanding; 56 required internal capacity with 18 completed and 38 outstanding; 32 required financial resources, mainly capital investment, with 4 completed and 28 outstanding.

Due to misalignment between the SP projects and the budget, 27 percent of the projects could not be financed with the Bank's budget. Some key capital projects, mainly the National Electronic Payments Switch (NEPS) and Credit Reference projects, received external funding, while a significant number of projects also received technical assistance from the IMF and other partners.

Challenges/Lessons Learnt

The primary factors that impacted the implementation of the SP were:

a) The slow drive for the implementation of SP by some directors and heads of sections due to their inability to follow up on their projects and deliverables, including updating their projects into the Strategic Plan Monitor (SPM).

b) Delay in the alignment between the performance appraisal system vis-à-vis the SP deliverables was another important lesson learnt from the implementation process.

c) Limited budgetary support of key projects due to misalignment between the SP and the Bank's budget.

d) Lack of clarity between SP projects and routine departmental/sectional activities on the part of some departments and sections. The assessment showed that some departments and sections considered their routine departments and sections' activities as their SP projects and deliverables, thus confusing the two activities. SP projects and deliverables should be reform-based and transformative, and not routine.

e) External factors, such as the lagged impact of COVID-19 and the global economic environment. Notwithstanding the challenges associated with COVID-19, the Bank succeeded in largely maintaining single-digit inflation and financial stability.

f) The focus on currency reform, particularly through the recent currency exchange exercise, diverted significant resources from other critical areas of implementation of the previous SP. The exercise constrained the capacity to fully implement other strategic priorities, highlighting the trade-offs inherent in resource allocation during such comprehensive reforms.

CHAPTER 5.0: *EXTERNAL STAKEHOLDERS' NEEDS*

CBL values the inputs of its stakeholders in developing a strategic plan that aligns with national and sectoral goals. During the development of this SP, the CBL met with a diverse range of stakeholders. These stakeholder engagements highlighted key areas for collaboration, with a focus on enhancing financial inclusion, improving financial services, and increasing access to credit. Below are the summarized needs and concerns raised by various stakeholders during the consultation sessions. To the extent possible, CBL has incorporated these insights into this Strategic Plan. During the implementation of the SP, the CBL intends to foster partnerships that would address identified needs and align CBL initiatives with stakeholders' expectations.

5.1 Government Ministries

a) Timely Reporting and Access to CBL's publication: Stakeholders emphasized the importance of timely and accurate bank statements for government entities, as well as the prompt publication of the daily exchange rate. Enhanced access to such information is seen as crucial for government operational transparency and effectiveness.

b) Fee Collection Improvements: A proposal was advanced to establish more CBL/Liberia Revenue Authority (LRA) substations at government revenue-generating ministries and agencies with the aim to enhance licensing fee collection and reducing payment barriers.

c) Biometric Identification: CBL was encouraged to collaborate with the National Identification Registry (NIR) to mandate biometric ID for all financial transactions, strengthening security and transparency of financial transactions.

d) Credit and Interest Rate Policies: Stakeholders called for CBL's policies to support increased SME credit access and interest rate regulations to ease financial burdens on small businesses.

e) Regulatory Updates: Suggestions include raising the cap on mobile money and regulating fees across financial services, to ensure affordability and expand service reach.

5. 2. Financial Institutions

a) Operational Efficiency: Financial institutions seek faster credit checks and centralized access to banking and other financial sector reports to facilitate smooth transactions and enhance customer service.

b) Digitalization of Services: There was a strong call for CBL to accelerate banking digitalization, support reinsurance and marine insurance frameworks, and entrust agent approval to banks. The current assessment of G2P and P2G shows significant progress being made with respect to Electronic Funds Transfer (EFT) platform of MFDP for government payments to civil servants and vendors, while there are ongoing work to digitalize revenue collection.

c) Security and Compliance: CBL was encouraged to take a proactive role in remittance processing by mandating payments in Liberian dollars to support currency stability. Additionally, stakeholders requested government debt payments to financial institutions and CBL's support in managing non-performing loans (NPLs) by ensuring the restriction of delinquent borrowers' credit and other financial access.

d) Sector Regulation and Capacity Building: The need was expressed for CBL to regulate unlicensed microfinance and mobile financial services (MFS), particularly those with political affiliations, and build microfinance institutions' (MFI) capacity. Requests also included establishing independent credit scoring and asset management firms and prioritizing financial literacy.

5. 3 Multilateral Institutions and Donor Partners

a) SME and Long-Term Financing: There was strong call for increased SME financing and proposed partnership with CBL to finance long-term investments, supporting Liberia's macroeconomic stability. Stakeholders also indicated a shift towards grants rather than loans, reflecting the changing funding trends.

5. 4 Academic Community

a) Financial Inclusion and Innovation: Educational institutions urged CBL to foster a payment system that advances financial inclusion through innovative programs.

b) Student Financial Support: There was a strong recommendation for CBL to establish student loan programs in collaboration with higher institutions of learning and relevant government agencies; and, to support faculty development.

c) There was a call for support for research projects and schemes to respond to the financing needs of teachers.

5. 5 Rural Community Financial Institutions

5.5.1 Rural Community Finance Institutions (RCFIs)

a) Currency Policy: Rural institutions expressed support for de-dollarization to stabilize the economy and reduce foreign currency outflow.

b) Capacity and Digitalization Needs: RCFIs highlighted the need for CBL to facilitate digital infrastructure that supports financial services in rural areas, ensuring access to cash hubs to streamline cash distribution.

c) **Support for Women in Savings and Loan Associations:** Recommendations included funding for agricultural initiatives, training for women's financial groups, and simplified loan processes to improve accessibility for rural women.

5.5.2 Liberia Credit Union National Association (LCUNA)

a) **Budget Allocation and Engagement:** LCUNA called for budget support to improve sector supervision, along with periodic meetings to facilitate CBL and credit union collaboration. Piloting bank-linked credit union lending was also suggested to expand sectoral lending capacity.

5.5.3 Cross Border Women in Trade

a) **Exchange Rate and Loan Accessibility:** Women traders mentioned that they face challenges with exchange rate disparities, high loan interest rates, and short repayment periods. Recommendations included easing loan conditions and working with institutions to address high loan qualification criteria.

5.5.4 Liberia Marketing Association (LMA)

a) **Rural Financial Services Expansion:** LMA advocated for rural banking access, a broad financial literacy campaign targeting rural entrepreneurs, and flexible loan repayment options, aiming to bridge financial inclusion gaps in underserved areas.

5.5.5. National Association of Foreign Exchange Bureaus of Liberia (NAFEBOL)

a) **Ongoing Stakeholder Engagement:** NAFEBOL supports continuous CBL-stakeholder dialogue to develop solutions for sectoral forex challenges, encouraging an inclusive approach to forex market regulation and policy development.

CHAPTER 6.0: STRATEGIC PILLARS AND INITIATIVES

6.1 Pillar 1: Domestic Price Stability

As outlined in the Amended and Restated CBL Act of 2020, the Bank's primary objective is to achieve and maintain domestic price stability. The Bank is expected to ensure that the growth in money supply is well within the reserve money target with a view to manage inflation and protect the value of the Liberian currency in a dual currency economy, where the United States dollar (USD) is a legal tender.

In the pursuit of its objectives, the Bank is faced with numerous challenges. Increased dollarization wherein the US dollar accounts for about 70 percent of the money supply is one of the key factors that inhibit the effectiveness of monetary policy transmission. The small portion of the Liberian dollar within the money supply makes it difficult to control monetary aggregates and money growth in Liberia. Also, Liberia being a net import country, thereby creating persistent demand for foreign currency (USD) to facilitate imports of goods and services precipitates speculative depreciation of the Liberian dollar in the economy, especially during the festive seasons.

The following critical initiatives (CIs) shall be pursued under Pillar 1 of the SP, Domestic Price Stability:

i. Digitization of the Research, Policy and Planning Department (RPPD) Surveys

The digitization of key surveys will help to ensure efficiency and timely delivery of results as well as minimize the cost of conducting surveys. Additionally, the automation process will help the CBL in collecting credible, reliable and timely data for efficient compilation, economic analysis and dissemination.

ii. Establishment of a Data Warehouse as a Central Repository for Economic and other Analyses

The Research, Policy and Planning Department (RPPD) of the CBL does not have a functional data warehouse for the storage of data from various sources. Data are often kept in self-established excel databases by the various units of the department which cannot be used to perform complex queries for business analytics. Therefore, there is a need for the creation and maintenance of a centralized repository to host data from dispersed sources (externally and internally) that will be used for reporting, economic and other analysis which will help improve the quality, consistency and accuracy of data from the enterprise.

iii. Development of Forecasting and Policy Analysis System

A Forecasting and Policy Analysis System (FPAS) will support effective decision-making in monetary policy by systematically integrating data analysis into economic forecasting. These policy simulation tools will guide the CBL in achieving its key objectives of controlling inflation, managing economic growth, and ensuring financial stability. It is expected that the FPAS will help generate accurate economic forecasts that help to inform policy decisions that are consistent and coherent with our policy framework, improved risk management, enhanced communication and transparency. It will also provide various scenarios of analysis and policy simulation to support strategic planning and provide greater accountability and evaluation.

iv. Transition to Inflation Targeting Framework

The CBL, during the period of this SP will transition from the current monetary targeting framework to inflation targeting (IT) framework. An IT framework is a monetary policy framework used by central banks to maintain price stability by setting and publicly announcing a specific inflation rate or range as the primary goal. It is implemented by adjusting interest rates to achieve and maintain that targeted inflation rate over time. To achieve this, the CBL will be expected to provide a clear inflation target or range (i.e. 5% or 5%+/-2 bandwidth), thereby keeping inflation at a predictable and stable rate. This critical action, which is to be pursued with enhanced communication for economic planning and investment purposes will engender trust and accountability for the Central Bank's monetary policy effectiveness.

v. Publication of International Investment Position

During the implementation period of the SP, the CBL will commence the compilation and publication of Liberia's International Investment Position (IIP) statistics. The planned compilation and publication of the IIP will, at a given point in time, measure the value of financial assets of residents of Liberia that are claims on non-residents or are gold bullion held as reserve assets. The implementation of this activity will assist in measuring the gap between the stock of Liberia's foreign assets against the stock of foreign liabilities.

vi. De-dollarization Roadmap and Single Currency Assessment

The CBL will increase the proportion of LRD in the money supply by more than 30 percent through a gradual de-dollarization process. The high level of dollarization, among other things, lowers the foreign currency reserves of the CBL, reduces the efficiency of payments, and complicates the conduct of monetary policy, especially when faced with large external imbalances. Thus, CBL, in collaboration with other stakeholders, will pursue gradual de-dollarization through a proposed four-year (2025-2028) roadmap. At the end of 2027, the roadmap will be reviewed and if possible, additional recommendations and amendments would be made to increase the chances of success. To begin with, the CBL is working with relevant stakeholders in pursuit of transactional de-dollarization, which the CBL believes is the first step toward full de-dollarization. The commitment and policy of government to increase spending in Liberian dollars is a right step in this direction.

The Bank also believes that removal of legal tender status for the USD should be considered after three years following the start of the process with an assessment against explicit pre-determined criteria, as well as the progress made in transactional de-dollarization. If the pre-determined conditions are not fulfilled, the legal tender status will be kept and re-assessed after one year.

The CBL will work with all institutions for the review of relevant legislation and regulations to give a clear preference to the LD as a unit of account, in legislative and regulatory matters. The CBL in the de-dollarization roadmap will clearly identify the risks of de-dollarization which includes but is not limited to the following: (i) the risk of withdrawal of USD savings from banks; (ii) the risk of a loss of confidence in LD; and (iii) the risk of inconvenience of using LD. To ensure efficient monitoring and timely reaction, should any of these risks materialize, the CBL will improve its monitoring capabilities as soon as possible, above its current level.

The CBL will also conduct an assessment on Liberia's readiness as a country to join the ECOWAS single currency if it is launched as planned for 2027. This will require reviewing the Country's status with all harmonized roadmap activities and the macroeconomic convergence criteria. The review will include the challenges as well.

vii. Sustained Price Stability

The CBL's Management will continue to implement policies aimed at ensuring sustained price stability through broad exchange rate stability as aligned with the CBL's primary mandate. The Bank, during the end of implementation of the SP period, particularly in 2029, will use policy instruments at its disposal and other measures to ensure that Liberia averages a single digit inflation (particularly, 5% or 5% +/-2) on a sustained basis consistent with ECOWAS' Macroeconomic Convergence benchmark for inflation.

viii. Monetary Policy Implementation

The Amendment and Restatement of the Act Establishing the CBL 1999 mandates the CBL to achieve and maintain domestic price stability by formulating and implementing monetary Policy. The Act also empowers the Management of the CBL to statutorily constitute a Monetary Policy Committee (MPC). The committee will monitor recent economic developments and outlook on which decisions will be anchored. This task, which is performed quarterly has a time lag effect on the responsiveness of monetary policy to any current economic dynamism in Liberia. During the period of the SP, the CBL shall ensure effective functioning of the MPC.

ix. Enhanced Reserve Management (Capacity Building, Framework etc.)

Reserves have declined below the internationally recognized minimum threshold of three (3) months of import cover as the economy is always susceptible to imbalance prompted by external shocks. FX reserves management at the CBL is passive. Therefore, to properly manage the Reserves, the CBL has drafted and sent to the Board of Governors on October 14, 2024, the Foreign Exchange Reserves Investment Policy (FERIP) which replaces the CBL's Revised Foreign Exchange Reserves Management Guidelines of 2015. The FERIP defines means through which the foreign exchange reserves and other investments of the Bank are to be managed consistent with Part VI of the Amendment and Restatement of the Act Establishing the Central Bank of Liberia. It also formalizes the framework for the CBL's investment activities that must be exercised to ensure effective management of the Bank's foreign exchange reserves.

Fiscal dominance has often induced a decline in foreign exchange considering exposures. Therefore, close coordination of both fiscal and monetary authorities is necessary for the maintenance of price stability. On the other hand, there is need that the coordination is carefully balanced with the Bank's operational independence. Building credibility through operational independence of the Bank will ensure effectiveness of monetary policy for economic growth.

x. Ensure Market Development including the Development of Secondary Market

The CBL will develop a roadmap for the development of the secondary markets in support of domestic market development. The roadmap will address current needs and outline the solutions required to achieve desired outcomes by 2029. This roadmap will articulate strategies, market guidelines and regulations and acquisition of necessary infrastructure for the proper functioning of the secondary market. Additionally, the CBL, will work with the licensed discount house operating in Liberia to enhance the trading of government and other securities in the secondary market.

The development of the secondary market aims to expand the retail investor base, increase the number of issuers including private bond issuance, increase the number of transactions in the secondary market, thereby boosting the volume and value of securities traded. To this end, the automation of secondary market transactions, increased market participation, and the timely execution and settlement of secondary transactions will be achieved.

xi. Use of Gold to Build International Reserves

Liberia is endowed with huge mineral resources. The gold mines are being exploited by large concession companies and small artisanal miners, many of whom are Liberians under the licensing regime of the Ministry of Mines and Energy. Current data show gold as one of the primary export commodities of the Country with a stable global price.

The Amended and Restated CBL Act of 2020 allows the CBL to use gold as part of the international reserves, even though the Bank has not commenced the implementation. The use of gold in the international reserves will not only boost the international reserves of the country but will also significantly reduce the pressure on foreign exchange in the economy. Studies are underway for the use of gold as reserves to boost international reserves.

Some countries, for example Ghana, are currently using gold reserves as part of their international reserves, which provides an opportunity for the CBL to explore. Over the next five-year period, the Bank will engage the relevant stakeholders, including Government Ministries and Agencies as well as our multilateral partners in this direction.

xii. Modernize the Currency Management System

Despite the CBL's endeavor to deepen electronic payment to reduce the population's reliance on cash to transact businesses, cash still plays a vital role in the Liberian economy. The CBL, based on a Legislative approval, implemented a comprehensive currency reform from 2021-2024, which led to the printing of new and better-quality banknotes and coins as well as adequate amount of cash to not only relace all existing banknotes but to meet the Liberian dollar demand over the period. Given the three-year legal constraints for printing of currency and the statutory responsibility of the CBL to ensure sufficient currency in the economy, the CBL will put in place proactive mechanisms to always have adequate and cleaner banknotes and coins for the use of the Liberian economy. This mechanism will include implementation of a clean note policy for enhancing banknotes processing through an automated banknotes sorting, packaging and destruction system.

6.2 Pillar 2: Financial Stability

Financial system stability is a central goal for Liberia's economic policy, aimed at creating a secure and resilient financial system that will support sustainable growth. This involves strengthening the CBL's capacity to monitor and manage risks within the financial sector, including better oversight of commercial banks, non-bank financial institutions, and the insurance sector. The implementation of policies focused on prudent lending practices, risk management, and improved capital adequacy standards will reduce vulnerabilities to financial shocks and economic crises. In the pursuit of its objective of financial stability, the Bank has put in place several Critical Initiatives to ensure a safe and sound financial system to overcome challenges facing the financial system.

i) Strengthening Legal & Regulatory Frameworks of the Financial Sector

The legal and regulatory frameworks of the financial sector are critical for the CBL as these frameworks aim to enhance financial stability, transparency, and trust in Liberia's economy. The modernization of laws and regulations to meet international standards creates a resilient financial system capable of withstanding economic challenges, while safeguarding the interests of depositors and investors. This includes implementing robust policies to strengthen the oversight of commercial banks and financial institutions and providing CBL with a modern resolution toolkit to deal with the eventual failure of any of them. Enhanced legal frameworks also facilitate financial inclusivity, supporting economic growth by ensuring that the financial services reach a broader population. With these reforms, the CBL aims to build a safer, more transparent, and well-regulated financial environment that promotes both domestic and foreign investment, contributing to long-term economic stability and development.

ii) Enhanced Financial Sector Oversight (Financial Policy & Regulations, Financial Sector Supervision, and Payment's systems)

Enhanced financial sector oversight by the CBL encompasses a range of functions, policies, and the frameworks aimed at promoting stability, security, and inclusiveness within the financial system. These measures include strengthening the payment system infrastructure, establishing robust financial policies and regulations, and monitoring compliance to safeguard the interests of consumers and foster economic growth.

Financial Policies and Regulations: to ensure that financial institutions operate within a stable, fair, and transparent framework. The CBL enforces these policies to maintain financial stability, protect consumers, and encourage sustainable growth in Liberia's financial sector. CBL issues prudential regulations to maintain the solvency, liquidity, and soundness of banks and financial institutions; enforces consumer protection and financial literacy policies to build trust in the financial system, prevent fraud, ensure fair lending practices, and promote transparency in fees and charges and empower consumers by educating them on the use of financial services; enforces anti-money laundering and countering the financing of terrorism (AML/CFT) regulations to combat illicit financial activities, ensuring that the financial sector aligns with international standards. This includes monitoring and reporting suspicious transactions and enforcing Know Your Customer (KYC) and customer due diligence (CDD) requirements and implementing digital financial services (DFS) regulation to accommodate the growth of mobile money and digital financial services, which promotes innovation while ensuring security.

Financial Sector Supervision: the CBL shall continue to identify, monitor, and mitigate risks that could impact financial stability. This includes implementation of risk-based supervision focusing resources on institutions and activities posing the highest risk to financial stability, including early intervention and more efficient regulatory enforcement; implement on-site and off-site supervision to assess the financial health, compliance, and governance of financial institutions, ensuring continuous oversight and responsiveness to emerging issues; implementing periodic stress testing and crisis management on banks to assess their resilience and to guide responses to financial instability; in collaboration with other regulatory bodies, including supervisory colleges, and international organizations, and enhance cross-border supervision to promote standards and address cross-border risks. At the domestic level, the CBL also strengthen coordination with the Financial Intelligence Agency (FIA) to ensure the CBL receives timely reports regarding irregular, suspicious, unlawful, and compromising financial transactions and activities.

Payments System: is a crucial aspect of the CBL's mandate, enabling safe, efficient, and reliable financial transactions. Key areas of focus include development and deployment of the National Electronic Payment Switch (NEPS), centralized payment platforms and automated clearing systems, ensuring timely settlement of interbank transactions, which reduces settlement risk and enhances the efficiency of the financial system; modernization of digital payment infrastructure to support digital financial services (DFS), facilitating smoother transactions through mobile banking, online payments, and point-of-sale (POS) systems; fostering interoperability and other policy interventions among key players in the ecosystem through the forum of the National Payments Council (NPC) , mobile money operators, and financial institutions to ensure seamless transactions across various platforms and increase access and convenience for consumers, particularly in rural areas; supporting Cash-In/Cash-Out (CICO) networks to bridge cash and digital transactions in the short-term, a critical component in promoting financial inclusion in rural and underserved areas; promoting economic empowerment by facilitating small business operations and supporting peer-to-peer (P2P) transactions. These activities are expected to lower transaction costs and enhance transparency, reduce fraud and improve financial record-keeping.

iii) Operationalize Crisis Management Framework and Business continuity plans for the Financial Sector

The development and operationalization of a Crisis Management Framework (CMF) and Business Continuity Plans (BCP) for the entire financial sector is essential for ensuring resilience and stability in times of crisis. This helps to protect the financial system, maintain public trust, and minimize disruption in critical financial services. These frameworks provide a structured response to potential crises, outlining processes and roles to manage risks effectively, restore operations, and safeguard stakeholders within the financial system.

Operationalization of Crisis Management Framework: The CBL plays a lead role in ensuring the stability and resilience of Liberia's financial system. The CBL will develop a Crisis Management Framework that outlines processes and procedures for identifying, assessing, and addressing potential threats. This framework will incorporate early warning systems, defined escalation protocols, and a dedicated crisis response team to handle incidents quickly and effectively. Regular risk assessments and collaborative exercises with stakeholders, such as commercial banks, mobile money operators, fintech entities, and government agencies, are critical to strengthen response coordination. Through these structured processes, the CBL will create a proactive approach that minimizes risks to the financial system, while also enhancing trust and confidence among consumers and financial institutions.

Business Continuity Plans (BCPs) for the Financial System: In addition to a crisis management framework, development of a comprehensive BCP is also critical for the uninterrupted operation of Liberia's financial system. The BCPs are expected to address both operational disruptions and long-term recovery strategies for essential financial services, including interbank transfers, mobile payments, and settlement systems. The BCPs will define alternate operational sites, redundancies in IT infrastructure, and contingency arrangements for critical resources like power and connectivity. Regular testing of BCPs, as well as periodic updates to reflect emerging threats, will be vital for their effectiveness. Well-designed BCPs ensure that the CBL and its partners can swiftly restore essential payment functions after disruptions, ultimately maintaining public confidence and financial stability across Liberia.

iv) Establishment of a Deposit Insurance Fund

Both the existing Financial Institutions Act of 1999 and the proposed Bank Financial Institution and Financial Holding Company Act (BFIA) of 2024 call for the establishment of a deposit insurance scheme. Over the past years, CBL has done significant work with technical assistance from its partners on developing the necessary legal instruments and frameworks to prepare the way for the establishment of a deposit insurance scheme, commencing with a deposit insurance fund (DIF). The establishment of a DIF will address the long-standing constraint of settlement of depositors' claims on failed banks. It will help boost public confidence and ensure a more stable and resilient financial system. The governance structure and funding will be defined in the framework document and the New Bank and Bank-Holding Act (2025).

v) Implementation of International Standards, Assessments and Frameworks for the Financial Sector (e.g., IFRS, Basel II & III, RBS and RBC for the Insurance Sector, BCP, FSAP, etc.)

The implementation of international standards and frameworks as well as the conduct of financial sector assessments in Liberia adapting them to the characteristics of its financial sector, including IFRS (International Financial Reporting Standards), Basel II & III, RBS (Risk-Based Supervision), RBC (Risk-Based Capital) for the insurance sector, FSB Key Attributes for resolution of financial institutions, IADI Core Principles for deposit insurance, and BCP (Business Continuity Planning), and FSAP (Financial Sector Assessment Program), is a key initiative aimed at strengthening Liberia's financial infrastructure. The adoption and enhanced implementation of these globally recognized standards and conduct of assessments will promote transparency, improve risk management, and ensure regulatory compliance of financial institutions. This alignment with international standards and good practice will enable better oversight of financial institutions, more accurate risk assessment, and effective crisis management.

These standards will support financial stability within Liberia and increase investor confidence and foster international partnerships. The implementation of these frameworks reflects Liberia's commitment to building a sound and sustainable financial ecosystem, which is essential for economic growth and resilience. For the insurance sector, the adoption of RBS and RBC frameworks will ensure that insurance providers maintain adequate capital relative to their risk exposure, ultimately safeguarding policyholder interests. BCP and FSAP contribute to creating a resilient financial system that can withstand economic shocks and maintain critical functions during disruptions.

vi) Enhancing the Consumer Protection Operations and Framework at the CBL

The enhancement of the consumer protection of the CBL involves strengthening its operations and framework to ensure fair treatment, transparency, and accountability within the financial sector. A key component of this initiative is the implementation of an automated complaint handling system, which will streamline the process for consumers to lodge complaints and track their resolution efficiently. This system will allow the CBL to monitor trends in consumer grievances, enabling quicker identification of systemic issues and ensuring that financial institutions address concerns promptly. By creating a centralized and accessible platform, the CBL aims to build consumer trust, promote responsible financial practices, and protect consumers from unfair practices, ultimately contributing to a more transparent and equitable financial environment in Liberia.

vii) Enhancement of Regulatory reporting to the CBL (acquiring the vRegCoSS and having a reporting solution for NBFIs, Mobile Money Operators, Fintech etc.)

The development and implementation of a system for regulatory reporting to the CBL through automated solutions, like the Valtech Regulatory Compliance Supervisory System (vRegCoSS), is vital for strengthening oversight of the financial sector, both for banks and for Non-Bank Financial Institutions (NBFIs), as well as mobile money operators, and fintech entities. The implementation of an automated reporting solution will ensure that the CBL receives timely, accurate, and comprehensive data on financial transactions, risks, and compliance from these institutions. This enhanced reporting infrastructure reduces manual processing, minimizes errors, and provides CBL with real-time insights needed for proactive supervision and regulatory enforcement. Automated reporting also allows CBL to better monitor sector-wide trends, detect potential risks early, and ensure that financial institutions adhere to regulatory requirements. Ultimately, a robust digital reporting framework supports a more transparent, efficient, and resilient financial ecosystem in Liberia, fostering trust and stability within the sector.

viii) Enhancement of the Credit Reference and Collateral Registry System

The Enhancement of the Credit Reference and Collateral Registry Infrastructure Project aims to enhance the credit ecosystem in Liberia by establishing a unified system that facilitates access to credit, while managing risks more effectively. With the establishment of a centralized credit reference system, lenders gain access to reliable credit information on potential borrowers, helping them assess creditworthiness and reduce default risks. This credit reference system records borrowers' credit histories, making it easier for financial institutions to extend credit based on data rather than collateral alone. Such a system promotes responsible lending and borrowing, ultimately improving the overall credit culture and financial stability in Liberia. The reference system will be fully digitized to avert abuse of the system under the close supervision of the Executive Management.

The project also involves upgrading the collateral registry, which provides a legal framework and a digital platform for registering movable assets as collateral. This registry allows individuals and businesses, especially those without significant real estate holdings, to use moveable property—such as machinery, vehicles, and other assets—to secure loans. As a result, small and medium-sized enterprises (SMEs) and low-income individuals gain greater access to formal credit markets. The upgrade will also consider the inclusion of immovable property in the registry (e.g., mortgages) which would require collaboration with other key stakeholders (e.g., Ministry of Justice). Together, the credit reference and collateral registry systems will increase access to credit and foster financial inclusion, stimulate economic growth, and strengthen the resilience of Liberia's financial sector by supporting a more secure, transparent, and data-driven lending environment.

The CBL will ensure that both systems remain credible and will be deemed as such by all lenders in Liberia's financial sector.

ix) Finalization of the New Insurance Act for the Establishment of an Independent Insurance Commission

The finalization and enactment of the New Insurance Act will denote a pivotal development in Liberia's financial landscape, paving the way for the establishment of an independent insurance commission in adherence with the mandate of the National Legislature. This new regulatory body is designed to operate autonomously, allowing it to provide focused oversight and effective governance of the insurance sector. The establishment of a dedicated commission will demonstrate the Government of Liberia's (GoL) commitment to create a transparent and robust framework for the regulation of insurance activities, which will ensure better protection for policyholders, minimize risks within the sector, and enhance the overall credibility of the insurance industry. The commission will be empowered to enforce regulations, set industry standards, and monitor compliance across various insurance entities, promoting a level playing field and mitigating potential market abuses. The Commission as envisaged in the new Insurance Commission Act (2025) will operate as an independent Insurance Regulatory Authority consistent with regional practice.

x) Promotion of Green Finance and Sustainable Investments

The CBL is taking gradual steps toward promoting green finance and sustainable investments, as detailed and extensive policy frameworks are still under development. As a developing country, Liberia has placed a greater emphasis on economic growth, job creation, poverty alleviation, infrastructure development, etc. However, sustainability and environmental concerns are becoming increasingly important as climate change impacts the country's economy, infrastructure, and social fabric.

CBL green finance and sustainable investments program intends to focus on aligning CBL policies on global and regional standards; encouraging local financial institutions to diversify their portfolios by supporting environmentally friendly projects, particularly in areas like agriculture, renewable energy, and infrastructure development, which are crucial in promoting sustainable investments; collaborating with international financial institutions, such as the World Bank, the International Monetary Fund (IMF), and the African Development Bank (AfDB), to encourage green finance initiatives, through funding and technical assistance aimed at strengthening climate-resilient investments; and enhancing capacity building and creating awareness around green finance.

While Liberia is still in the early stages of formalizing green finance initiatives, there are clear signs of progress, with the CBL playing an essential role in promoting sustainable and responsible investment practices. The CBL will introduce guidelines for environmental, social, and governance (ESG) risk management practices for financial institutions; create incentives for banks to offer green finance products; and develop frameworks for issuing green bonds to finance environmental projects.

6.3 Pillar 3: Financial Inclusion & Digital Financial Services

Financial inclusion in Liberia is a critical objective aimed at ensuring that individuals and businesses, particularly those in the underserved areas, have access to affordable and appropriate financial products and services. A significant portion of the population, especially in the rural areas, remains unbanked. The 2022 Findex Report[1] shows that the National Financial Inclusion Rate[2] of Liberia was 52% compared to the 36% recorded in 2017. Moreover, the gender financial inclusion gap for 2022 was 15.4% (male: 59.34% and female: 44.2%) above that of sub-Saharan Africa of 12.32%. Also, the rural-urban financial inclusion gap for the same period was 18% (urban: 64% and rural: 46%). The CBL will leverage on the experiences of other countries and the donor community to implement projects that will close the gender gap and meet its target.

Promoting financial inclusion and ensuring that financial services reach underserved populations contribute to a broader and more stable economic base. Overall, these initiatives aim to create a more robust financial system that protects consumer interests, fosters investor confidence, and lays a foundation for long-term economic resilience and growth in Liberia.

Expanding access to formal financial services is essential for economic empowerment, poverty reduction, and overall economic growth. The CBL has taken steps to promote financial inclusion by supporting and promoting the establishment of rural financial institutions such as Village Savings and Loan Associations (VSLAs), and Rural Community Finance Institutions (RCFIs). The CBL, working with donors, will consider setting up a technology hub in the medium term for enhancing technical and operational capacity for domestic MFIs and rural-based financial institutions. This technology hub will act as an intermediary tool to allow enhancing of their business and technological systems compatibility for transactions across systems.

Additionally, CBL has also ensured the development of digital financial services (DFS) such as mobile money and other digital wallets, and in 2024 launched digital credit. CBL is supporting the development of a robust digital payments ecosystem, which aims to reduce the reliance on cash transactions and improve efficiency in the financial system. The total value of US dollar mobile money transactions surged from 2.21 billion in 2022

[1] A triennial publication of the World Bank
[2] Measured by the fraction of the adult population (aged 15+) with a bank or mobile money account

to 3.48 billion in 2023. Similarly, the Liberian dollar value of mobile money transactions increased from 282 billion in 2022 to 422 billion in 2023. In 2023 there were about 2.6 million active mobile money subscribers[3]. By leveraging the widespread use of mobile phones, DFS has become a game-changer in reaching the unbanked population, especially in remote communities.

While significant progress has been made, several challenges remain, including limited infrastructure, low levels of financial literacy, and distrust in formal financial systems. The high cost of financial transactions also poses obstacles to achieving full financial inclusion. Moreover, there is a need for stronger but proportionate regulatory frameworks, especially for lower-tier financial institutions. Under this Strategic Plan, the CBL has placed premium on the deployment of NEPS, further expansion of agent banking networks, access to finance, and the introduction of innovative financial products tailored to underserved communities. These and other complementary efforts are expected to continue driving progress in financial inclusion and strengthening the role of digital financial services in Liberia's economic development. Below are the critical initiatives to be undertaken under this pillar, the specific targets and timelines of the associated activities are contained in section 6 of this plan.

i) Increasing Rural Financial Inclusion

One of the key goals under Financial Inclusion is to ensure that the underserved rural populations have access to formal financial services. In Liberia, rural areas are home to a large percentage of the population, yet they remain largely excluded from the formal banking system. To increase rural financial inclusion, the CBL aims to: (i) Expand agent banking networks: Partner with commercial banks, microfinance institutions, and mobile network operators to increase the number of agents in remote and rural areas. Agent banking allows customers to perform basic transactions such as deposits, withdrawals, and bill payments through local representatives, reducing the need to travel long distances to bank branches; (ii) Promote digital financial services (DFS): Encourage the use of mobile money and digital wallets, which are increasingly becoming popular in rural settings due to the penetration of mobile phones. CBL will support the development of affordable, accessible, and secure DFS platforms, allowing rural customers to make transactions, save money, and access microcredit; and (iii) Support the development of tailored financial products: Collaborate with financial institutions to design and promote savings, credit, and insurance products that are tailored to the needs of rural populations, particularly those involved in agriculture and informal trade. This will involve supporting the RCFIs and other smaller groups to serve as anchors for the provision of more effective rural financial products and services, subject to appropriate regulation and supervision.

[3] Subscribers with activity during the past 90 days

ii) Enhancing Financial Literacy and Education

Financial literacy is crucial for empowering individuals to make informed financial decisions. CBL will enhance its financial literacy and education efforts by: (i) Rolling out of National Financial Literacy Campaigns: Launch nationwide financial literacy programs using various media platforms (radio, TV, and social media) to educate the public on basic financial concepts, including savings, budgeting, responsible borrowing, and the benefits of using formal financial services; (ii) School-based Financial Education: In collaboration with the Ministry of Education, integrate financial education into school curricula, starting from primary levels to secondary schools. This initiative will instill good financial habits from a young age and prepare students to participate actively in the financial system; and (iii) Collaborate with Local Government Structures, NGOs and Community Organizations: Partner with Ministry of Internal Affairs (Local Government) non-governmental organizations (NGOs) and local community groups to implement grassroots financial literacy programs. These programs will use interactive workshops, meetings and peer-to-peer learning models to reach more remote areas.

iii) Strengthening the Savings and Loan Group Sector

Village Savings and Loan Associations (VSLAs) and other savings groups play a critical role in informal financial systems in rural areas. To strengthen this sector, CBL will: (i) Formalize VSLAs: Develop a simplified guideline for the operations and effective monitoring of VSLAs, support the re-establishment of the Apex structures across the country to bring them into the formal financial ecosystem and develop a digital solution/platform for VSLAs to conduct their transactions. Formalization will give these groups access to more advanced financial services such as credit, insurance, and digital payments; (ii) Link VSLAs to Financial Institutions: Facilitate partnerships between VSLAs and financial institutions to provide savings products, microloans, and digital wallets. By linking these groups to banks or microfinance institutions, CBL aims to increase their access to credit and improve their financial management practices; and (iii) Capacity Building and Training: Provide financial management training to VSLA leaders and members to improve record-keeping, financial reporting, and the efficient use of resources. The CBL will put in place the appropriate regulatory and supervisory frameworks to ensure the soundness, safety and growth of these institutions.

iv) Supporting Medium to Long-term Lending to Critical Sectors such as Manufacturing, Agriculture, Mortgage, and MSMEs

Access to medium to long-term financing is essential for fostering growth in Liberia's key sectors. CBL will: (i) Promote Sector-Specific Lending Products: Work with commercial banks and development finance institutions to design sector-specific financial products that meet the needs of key sectors such as manufacturing, agriculture, housing (mortgages), and Micro, Small, and Medium Enterprises (MSMEs); (ii) Credit Guarantee Schemes: Support the implementation of credit guarantee schemes to encourage banks to lend to critical sectors of the economy. This will reduce the risk to banks and facilitate more access to affordable credit for entrepreneurs; (iii) Long-term Lending Instruments: Support the development and introduction of new long-term lending instruments, such as bonds and syndicated loans, to provide sustainable financing for key sectors. CBL will create an enabling regulatory framework and incentives to support this type of financing and mobilizing resources.

v) Support to Student Loan Program

Liberia is one of the few countries that does not offer student loans, which contributes to the long-term human resource development of the Country. As was discussed during the stakeholders' engagement with the academic sector, the CBL will collaborate with relevant government agencies, including Ministry of Finance and Development Planning (MFDP), Ministry of Education (MoE) and the commercial banks to support the launch of student loan programs leveraging on successful programs of other countries.

vi) Deployment and Operationalization of a New National Electronic Payment Switch (NEPS)

The introduction of the National Electronic Payment Switch (NEPS) will revolutionize Liberia's payments infrastructure. CBL aims to: (i) Integrate All Financial Institutions: Ensure that the NEPS integrates with all commercial banks, microfinance institutions, mobile money operators, and other financial services providers to enable seamless and real-time electronic fund transfers across the country; (ii) Integrate Non-bank Financial Institutions: Conduct a comprehensive assessment of the infrastructure of Non-Bank Financial Institutions (NBFIs) and recommend a centralized infrastructure solution that addresses their needs. The CBL shall also ensure that the technical and functional requirements of the NBFIs are fully incorporated into the overall design of the NEPS, enabling seamless integration of all NBFIs into the system; (iii) Boost Digital Payment Adoption: Promote the use of digital payments among consumers and businesses by increasing awareness and ensuring the switch enables low-cost and secure transactions; and (iv) Interoperability: NEPS will support interoperability between different financial services platforms, for instance, making it easier for consumers to transfer funds between banks and mobile money platforms.

vii) Ensuring Efficient Operations of Other Payments Systems Infrastructures (RTGS, ACH, Data Center, etc.)

A robust payment infrastructure is critical for the stability and efficiency of the financial system. To ensure the efficient operation of Liberia's payment infrastructure, CBL will: (i) Enhance the Real-Time Gross Settlement System (RTGS): Regularly upgrade and improve the RTGS to ensure that large-value interbank transfers are available and settled quickly and securely, supporting the liquidity management of commercial banks; (ii) Automated Clearing House (ACH): Ensure the efficient and automated processing of smaller payments, such as checks, direct debits, and credit transfers, to reduce settlement times and increase the reliability of the clearing system. Improve the legacy payment systems, which would enhance Government payments, facilitate savings and increase participation of the populace in the formal financial system; (iii) Strengthen the Data Center: Invest in modernizing the CBL's data centers and ensure that it can securely manage increased volumes of payment data, facilitate disaster recovery, and safeguard the confidentiality of financial information.

viii) Ensuring Efficient Operations of Cross-Border Payments and Trade:

The CBL shall implement the Pan African Payments and Settlement System (PAPSS), integrating banks and non-bank financial institutions such as the mobile money operators, Micro-finance Institutions. The PAPSS will significantly enhance rural financial inclusion by reducing barriers to accessing financial services, promoting digital and mobile financial products, and facilitating the flow of remittances to rural areas. In terms of cross-border trade, PAPSS will ensure efficient operations by simplifying payment processes, lowering transaction costs, and enabling rural businesses to engage in regional trade with greater ease especially in Liberian Dollars. This initiative has the potential to transform rural economies by integrating them into broader regional markets, increasing their participation in trade, and improving livelihoods.

PAPSS will enable the use of local currencies for transactions, easing the process for rural traders by removing foreign currency barriers. The PAPSS will support seamless agricultural trade for rural dwellers by ensuring timely payments between buyers and sellers, integrating rural producers into regional value chains, and improving payment flows across the agricultural supply chain.

ix) Establish the Liberia Inter-bank Payment & Settlement System (LIB-PSS)

The establishment of an Operating Company (OpCo) to manage Liberia's retail payment ecosystem aims to enhance operational efficiency, modernize technology, and improve security. A key objective is to expand financial inclusion by offering underserved populations greater access to digital financial services. The OpCo will ensure regulatory compliance, create new revenue streams, and contribute to economic growth. Additionally, it will focus on the sustainability of the retail payment systems by investing in workforce development and capacity building, ensuring the long-term stability and resilience of the payment infrastructure.

The Liberia Inter-bank Payment & Settlement System (LIB-PSS) will ensure the following: (i) Enable Seamless Interbank Transfers: The LIB-PSS will allow for fast, secure, and low-cost interbank transfers. This will reduce reliance on manual processes and improve the efficiency of payments and settlements between banks; (ii) Enable Interoperability across all retail payment systems: This is essential for creating a unified, efficient, and inclusive financial ecosystem. By enabling interoperability, the LIB-PSS will allow seamless transactions between platforms (such as mobile money, bank transfers, and card networks), promoting financial inclusion by expanding access to underserved populations. It will foster competition and innovation, driving the growth of fintech and expanding service offerings; (ii) Reduce Transaction Costs: By providing a central platform for interbank settlements, LIB-PSS will lower the costs of processing transactions, benefiting both consumers and financial institutions; and (iv) Ensure System Stability and Security: CBL will ensure that LIB-PSS is built with state-of-the-art cybersecurity features and resilient architecture to protect against fraud and ensure continuous operation.

x) Conduct Comprehensive Research & Studies on Rolling out Central Bank Digital Currency (CBDC) in Liberia

With the rise of digital currencies globally, CBL will explore the feasibility of introducing a Central Bank Digital Currency (CBDC) to enhance financial inclusion and modernize the financial system. CBL's approach will include: (i) Feasibility Study: Conduct a detailed feasibility study to assess the potential impact of a CBDC on Liberia's monetary policy, financial stability, and payment systems; (ii) Stakeholder Consultations: Engage key stakeholders, including financial institutions, government bodies, and the public, to gather insights and address concerns surrounding the introduction of a CBDC; and (iii) Pilot Program: Based on the findings of the research and studies, CBL may consider launching a pilot CBDC program, initially targeting areas where traditional banking infrastructure is limited, to assess its viability in the Liberian context. This is in line with the medium-term goal of the Bank to digitalize the financial system and the economy at large and reduce the need for paper currency.

6.4 Pillar 4: Regional Integration

This pillar involves pursuing the ECOWAS Single Currency Agenda: harmonization of frameworks, integration, de-dollarization, awareness including stakeholders' consultation and collaboration, task force, meeting convergence criteria etc.

Liberia as a founding member of the Economic Community of West African States (ECOWAS) and it subscribes to the adoption of the ECOWAS Monetary Cooperation Program which seeks to achieve a single currency for the region and promote inter-regional trade among member states. In 2024, Liberia joined central bank Governors and Finance Ministers from other African countries to endorse the establishment of the African Monetary Institute, a key step toward achieving the Central Bank of Africa. The Institute is expected to become operational in the medium term, following its anticipated adoption by the Heads of State in February 2025.

To join the single currency, member states are required to meet the convergence criteria, a set of macroeconomic indicators, which are critical to establishing and maintaining a strong monetary union. Achieving the convergence criteria in full and consistently has been a challenging task for all member states, including Liberia, due to both internal and external factors. Despite the challenges, Liberia continues to work with other member states to achieve various milestones of the Single Currency Roadmap; notably harmonization of monetary policy frameworks, statistical frameworks (balance of payments, national accounts and consumer price index), exchange rate regime, statistics and data, legal and regulatory policies and practices, implementation of the Pan African Payments and Settlement System (PAPSS), etc.

In 2016, Liberia was the only country that met all the six criteria but has since failed to repeat that record. As a result of member states' failure to meet the criteria consistently for three years, the Authorities of Heads of States have endorsed that any member state that meets all the four primary criteria in the current and the next two years (2024-2026) shall launch the single currency called Eco in 2027.

Unlike other member states that have single currencies, Liberia has a peculiar case with its dual currency regime. The country will need to address this situation first before acceding to the single currency. The current currency law of Liberia, as enshrined in the Amended and Restated CBL Act (2020) states that the Liberian dollar is the official currency of Liberia, which should be used for all official, accounting, and legal transactions. However, the law also considers the United States dollar as legal tender.

As already stated, one of the objectives of this strategic plan is to achieve de-dollarization to a significant extent, which will prepare the country's ascension to the regional single currency program. Also, as the deadline for the adoption of the single currency program draws closer, there is an urgent need for intensive stakeholders' engagements and public awareness to carry the population and key economic agents along.

Presently, there is no formal forum or institutional framework to drive the ECOWAS single currency project in the country, even though the CBL and the Ministry of Finance & Development Planning (MFDP) continue to participate in the technical preparatory works of the Roadmap for the Single Currency Project. As the monetary authority and the lead agency on this project, the CBL will develop a strategy and action plan to drive the Single Currency agenda, ensuring that all stakeholders are carried along the process.

6.5 Pillar 5: Operational Efficiency

Operational efficiency will remain one of the key hallmarks of the CBL over the years ahead. This entails making efficient use and deployment of resources, enhanced productivity, effective governance and strong internal controls and risk management system.

i) **Efficient use and deployment of resources:** The Bank has made significant progress in improving the management of its finances as well as human resources. There have been improvements in the procurement practices, especially currency procurement, to ensure value-for-money; improved financial management and budget processes to ensure prudent management of financial resources; and improved work processes. However, with the expansion of the role of the Bank and its activities, there is a more compelling need for effective and efficient use and deployment of the resources of the Bank.

ii) **Enhanced Productivity:** The CBL has proven to be one of the most productive public institutions in the country. The Bank will continue this legacy by ensuring the productive use of its resources and retaining a highly motivated pool of professional staff. In this regard, the Bank will create the right incentives to make the Central Bank the center of excellence and professionalism.

iii) **Effective Governance, Internal Controls and Risk Management:** Notwithstanding the progress and achievements in recent years, the Central Bank has faced serious negative publicity, which have not only tainted the image of the Bank but also threatened public confidence in the Bank due to 2024 Compliance Audit conducted by the General Auditing Commission (GAC), which highlighted key compliance issues as well as weak internal controls and risk management practices. As the apex institution of the financial system and one of the principal players for the managing the Liberian economy, the Bank should operate at the highest level of ethical standards and professionalism.

Going forward, the Bank will fully implement all the GAC recommendations and take steps to enhance its operational efficiency, internal controls system, human resources, risk management and more importantly effective board oversight. The Bank will modernize its procurement system and synchronize its IT capability and infrastructure to save on the capital outlay on these infrastructures. By so doing, the Bank will reduce its budget deficit, while enhancing productivity. The following specific critical initiatives will be pursued:

iv) **Professional Certification of Staff (ACCA. CPA, CISA, IFRS etc.)**

Some departments of the CBL are challenged both in terms of manpower and professional certification for their staff. For instance, with the case of the Internal Audit Department (IAD), this situation led to co-sourcing the internal audit function of the Bank since 2020 at a huge financial cost to the Bank. If the departments of the CBL are to perform their mandates effectively and efficiently, staff will need to acquire the right professional competency. The Bank will prioritize the professional certification of its staff in response to its increasing business activities and risk profile. These professional and capacity building programs are to be centralized under the Human Resources Management Department (HRMD). Additionally, the CBL will also invest in the continuing professional development (CPDs) of staff that receive professional certifications based on measurable and objective standards. Priority will be given to departments with urgent critical needs, such IAD, Management Information System and Technology Department (MISTD), and Finance Department.

v) **Leveraging technology/automation to enhance internal processes (AutoAudit, CAAT, surveys by RPPD, investment software, FX reporting software and DEPO/X by FMD, HR, Procurement, Finance, Banking Dept upgrade of SWIFT and T24, Finance Dept. Microsoft Dynamic GP)**

In response to the complexity and volume of the activities of the Bank coupled with the need for enhanced efficiency and productivity, CBL considers automation and digitization of its activities as a strategic imperative. However, the automation and digitization of the Bank's processes and activities have not only come at huge financial costs but also high operational risks, including cyber-attacks, internal frauds, and abuses. These risks are expected to increase as the activities and business processes of the Bank increase over time. This calls for a clear ICT strategy and governance framework to achieve synchronization, efficiency and effectiveness. Such a strategy will take into account both the current and future ICT needs of the Bank, including cloud computing, artificial intelligence and strategic training in software development. The goal of the Bank is to build a highly motivated pool of software developers with the skills and knowledge to address the future IT needs of the Bank by saving on the scarce financial resources of the Bank.

vi) **Adherence to International Standards and Frameworks for Internal Processes**

As part of efforts to improve the operations, risk management and governance at the bank, the bank will prioritize alignment of its internal processes with international standards.

vii) Establishment of Strategic Partnerships

Considering the critical role of the bank in the management of the Liberian economy, the need for working with both internal and external stakeholders is of paramount importance. In this regard, the bank will build strategic partnerships with key internal and external stakeholders, including central banks, multilateral institutions, international financial institutions and training institutions with the aim of strengthening and enhancing its technical and infrastructure capacity.

viii) Enhancing Cybersecurity Operations and Awareness in the Financial System (including the creation of Security Operating Center, SOC, and a cyber risk framework)

As the financial system becomes more technologically driven both in terms of processes, products, and infrastructure, the risk of cyber insecurity increases. This calls for attention on the threat of potential cyber security risks and the need to mitigate such risks. The passage of cybercrime legislation is important in this effort, which will lay the legal foundation for addressing cyber security and cyber security issues. Considering the financial system as a primary target for cybercrimes, the CBL will work with key stakeholders, including the Ministry of Posts and Telecommunications and the Liberia Telecommunications Authority (LTA), for the timely passage of the legislation, which will provide the legal basis for the drafting and issuance of the appropriate regulations and frameworks for the financial sector. The bank will support the awareness programs around cybersecurity risks and establish a cybersecurity operating center to track incidents of cybersecurity risks and threats and respond on time.

ix) Continuous engagements with stakeholders (annual payment system Forum, quarterly financial sector meeting, quarterly national financial inclusion meetings. Quarterly economic forum)

Keeping stakeholders, the public and policymakers informed about the activities and policy intervention is critical to strengthening public confidence in the work of the Central Bank and the credibility of its work. Stakeholders' engagements are paramount to garnering public support for the work of the Central Bank. In this regard, the Central Bank will institutionalize stakeholders' engagements to ensure that the Bank's policies are effectively articulated and transmitted for the public benefits.

x) Rebranding and Awareness about the CBL (Silver Jubilee, Documentary, Outreach program, Paraphernalia etc.)

The Central Bank has achieved so much since its establishment in 1999 but not many people are aware of these achievements. Highlighting and showcasing such achievements will help boost the image of the bank and its rebranding efforts. In this regard, the Bank will organize appropriate events to mark the silver jubilee of the existence of the Bank and its achievements over the years.

xi) Establishment of an Archive

The monetary history of Liberia can be traced back to the formation of the nation-state of Liberia in the early 1800's. From this time up to date, one can hardly see or find any of the monetary instruments, including the domestic currency used at the time. Given the historical significance, the Bank intends to establish an archive that will serve as the reference point or currency museum of the country.

xii) Establishment of a State-of-the-Art capacity building center that will among other things facilitate the writing of professional international exams and course deliveries

The Central Bank considers capacity building cardinal to the professional growth and performance of its employees and the financial sector at large. The Bank spends a significant portion of its annual budget on staff training and capacity building, in addition to the many technical assistance programs. Due to budgetary constraints, allocation to training and capacity building in recent years has dwindled.

As part of its capacity building strategy, the bank will work on establishing the Central Bank of Liberia Capacity Building Center (CBLCBC). The center will establish strategic partnerships with other central banks and capacity building institutes to ensure training and capacity across all aspects of the bank and the financial sector in general. The Institute will also be open to promoting knowledge exchanges within the Bank.

xiii) Infrastructure Stabilization

As the Central Bank transitions to full-scale digitalization and automation of its business processes, the need for infrastructure stabilization is critical. This requires a stable energy source and back-up system. The current high cost of energy to keep the bank running 24/7 is not sustainable. As the banker of the commercial banks and the government, the stability of the bank's ICT is crucial to the efficient and effective running of the economy. Hence, in addition to acquiring more UPS, the Bank will explore building a solar farm at its disaster recovery site in Virginia to ensure regular and constant flow of energy to its ICT infrastructure.

xiv) Virtualization

The process of virtualization is a critical part of the transformation of the digitization of the Bank and its way of doing business going forward. The goal is to move away from the use of physical infrastructure to virtual infrastructure.

xv) Enhancement of currency management function of the CBL

The Currency Reform exercise undertaken by the Bank from 2021-2024 did not only mark significant changes in the currency management system of the Central Bank, but it also was a learning process for the Bank. The process strengthened the capacity of the Bank covering the entire currency management cycle, including rocurement, design, and destruction.

Leveraging on the experience from this exercise, the Bank will establish a currency management section to be managed and operated by a team of dedicated and professional staff to be guided by a robust framework premised on transparency and accountability.

xvi) Adopt an e-Procurement System

The current procurement system, which is largely manual, is time-consuming and inefficient. The Bank will establish an e-procurement platform to promote transparency and reduce the processing time of the Bank's procurement services.

xvii) Utilization of Green Energy to Support CBL's Operations

The Central Bank supports and champions environmentally friendly policies and activities. In this regard, the Bank will prioritize the use of solar and other alternatives as a strategic source of energy. The CBL shall also ensure a reduction in its carbon footprint by, among other things, reducing printing of documents and promoting digital sharing of documents.

xviii) Implementation of IFRS S1 & 2

As part of the Bank's goal of adhering to higher financial standards and disclosure requirements regarding environmental issues, the Bank will strive to enhance its financial reporting standards to include IFRS S1 & 2.

xix) Review and where possible amend all HR Policies and Procedures

The Human Resources of the CBL are the most valuable assets of the Bank. The Bank owes its legacy to the high performance, dedication and commitment to its staff over the years. It remains committed to maintaining this record. In this regard, the Bank will undertake a comprehensive review and assessment of its Human Resource Management Policies to align staff performance with the right incentives. The Bank will adopt a performance-based and merit system and re-establish the graduate degree program in strategic fields critical to both current and future needs of the Bank.

xx) Implementation of targeted Corporate Social Responsibility

The Central Bank of Liberia has over the years contributed to several national initiatives and supported several needy segments and groups of the Liberian society, including offering scholarships to needy and studious students, the disability community, orphanages and community development initiatives, as part of its corporate social responsibility. These gestures are part of the Bank's philosophy and belief to give back to society and contribute toward building an equitable and inclusive society.

Going forward, and based on the availability of resources, the Bank will identify targeted sectors and communities for its corporate social contribution that will have greater impact on the lives of the beneficiaries. In this regard, the Bank will work closely with the beneficiaries to ensure that the expected outcomes of such support are measurable.

CHAPTER 7.0: KEY PERFORMANCE INDICATORS, MONITORING & EVALUATION

The Central Bank of Liberia's Strategic Plan (2025-2029) contains 80 Key Performance Indicators (KPIs) categorized across the five (5) strategic pillars. This array of KPIs is intended to ensure that the CBL has a detailed and measurable framework to assess its progress toward achieving its strategic objectives. Key **Themes Across KPIs: (a) Efficiency:** Enhancing operational processes, including system reliability, cybersecurity, and staff capacity; (b) **Stability:** Safeguarding the financial system through metrics that ensure banks are adequately capitalized, liquid, and not overburdened with bad loans; (c) **Inclusion:** Expanding access to financial services, particularly in rural areas and through digital platforms, to foster economic growth and reduce poverty; (d) **Control of Inflation**: Maintaining price stability through monetary policy that target inflation within an acceptable range; and (e) **Regional Integration:** Strengthening Liberia’s participation in regional financial initiatives, such as harmonizing policies within the Economic Community of West African States (ECOWAS) and achieving the Ecowas Single Currency agenda.

Overall Quantitative Targets for CBL's SP 2025-2029

	Details						Targets				
#	Pillar	Name	High Level Indicator	Source	Baseline Year	Baseline Value	2025	2026	2027	2028	2029
1	Pillar I	Price Stability	Average Headline Inflation	Published CBL's Report	2023	10.10%	7.8%+/-2%	6.3%+/-2%	6.0%+/-2%	5.5%+/-2%	5%+/-2%
2	Pillar II	Financial Stability	CAEL's Index	Published CAEL's Data	2023	71	75	75	75	75	75
3	Pillar III	Financial Inclusion & Digital Financial Services	National Financial Inclusion Rate	Findex / National Survey/ Published Data	2022	52%	60%	60%	65%	70%	70%
4	Pillar IV	Operational Efficiency	Admin Expenses / Total Revenue	CBL's Audited Financials	2022	92%	<=100%	<=100%	<=100%	<=100%	<=100%
5	Pillar V	Regional Integration	LRD share of M2	Published Monetary Data	2023	25%	30%	35%	40%	45%	50%

CAEL's Index equals the Capital Adequacy Ratio (CAR) + Liquidity Ratio (LR) + Returns on Equity (ROE) - Non-Performing Loan (NPL) Ratio

Distribution of KPIs by Pillar:

Regional Integration (2 KPIs): KPIs under this pillar support Liberia's integration with regional financial markets, ensuring that the Central Bank aligns with broader West African monetary policies and financial stability initiatives.

Regional Integration KPIs for SP 2025-2029													
	Description	Assignment		Targets							Linked Departments		
#	KPI	Lead Department	Cluster	Baseline (2024)	2025	2026	2027	2028	2029	Type	Dept.1	Dept. 2	Dept.3
1	Enhanced De-dollarization as measured by LRD share of broad money	RPPD	EP	25%	30%	35%	40%	45%	50%	Cumulative	Banking	RSD	PSD
2	Action Plan for Enhancing Awareness for ECOWAS Single Currency Program	RPPD	EP	0%	100%	100%	100%	100%	100%	Cumulative	COMS		

Price Stability (9 KPIs): This pillar tracks inflation and the Central Bank's ability to maintain stable prices in the economy. KPIs monitor inflationary trends and macroeconomic stability.

Price Stability KPIs for SP 2025-2029													
	Description	Assignment		Targets							Linked Departments		
#	KPI	Lead Department	Cluster	Baseline (2024)	2025	2026	2027	2028	2029	Type	Dept.1	Dept. 2	Dept.3
1	Digitization of Surveys (use of software and electronic gadgets)	RPPD	EP	0%	80%	100%	100%	100%	100%	Cumulative	MISTD		
2	Establishment of Data Warehouse	RPPD	EP	0%	40%	60%	100%	100%	100%	Cumulative	MISTD		
3	Deployment of Forecasting & Policy Analysis System (FPAS)	RPPD	EP	25%	50%	75%	100%	100%	100%	Cumulative	MISTD		
4	Transition to Inflation Targeting Framework	RPPD	EP	0%	50%	75%	90%	100%	100%	Cumulative	COMS		
5	Publication of International	RPPD	EP	0%	100%	100%	100%	100%	100%	Cumulative			

	Investment Position (IIP)												
6	Acquisition and Usage of Investment Software	FMD	EP	0%	25%	100%	100%	100%	100%	Cumulative	MISTD	GSSD	
7	Enhancement of Reserves Management Policy	FMD	EP	0%	100%	100%	100%	100%	100%	Cumulative			
8	Automation of Open Market Operation on DEPO/X	FMD	EP	20%	50%	75%	100%	100%	100%	Cumulative	MISTD	GSSD	
9	Automated Real-time Reporting of FX Players	FMD	EP	0%	50%	75%	100%	100%	100%	Cumulative	MISTD	GSSD	

Financial Inclusion & Digital Financial Services (18 KPIs): Targets increasing access to financial services, particularly through digital channels. KPIs measure the expansion of digital financial services and the overall financial inclusion rate to ensure broader participation in the financial system.

Financial Inclusion & Digital Financial Services Pillar – KPIs													
	Description			Targets							Linked Departments		
#	KPI	Lead Department	Cluster	Baseline (2024)	2025	2026	2027	2028	2029	Type	Dept.1	Dept. 2	Dept.3
1	Improve GOL Electronic Funds Transfer (EFT)	Banking	Operations	40%	60%	70%	85%	90%	95%	Cumulative	MISTD	PSD	
2	Share of Payments made to Vendors, Staff, etc.... digitally	Finance	Operations	25%	50%	75%	100%	100%	100%	Flow	PSD	Banking	
3	Rural Financial Inclusion Rate	DFS	EG	46%	55%	60%	65%	70%	70%	Cumulative	RSD	PSD	
4	National Financial Literacy Rate	DFS	EG	N/A	40%	45%	50%	55%	60%	Cumulative	RSD	PSD	COMS
5	# of Savings Groups registered with the Apex /in the CBL's database	DFS	EG	N/A	250	500	1K	2.5K	3K	Cumulative	RSD	PSD	
6	# of Savings Groups Using Digital Solutions	DFS	EG	N/A	25	50	100	250	500	Cumulative	MISTD	RSD	PSD

7	Implementation of a Framework for Green and Sustainable Finance	DFS	EG	0%	0%	100%	100%	100%	100%	Cumulative	RSD		
8	Implementation of a Regulatory Framework for Development Finance Institutions (DFIs)	DFS	EG	0%	50%	100%	100%	100%	100%	Cumulative	RSD		
9	Proposals / Programs for Financing Agriculture, Mortgage, MSME, Manufacturing	DFS	EG	25%	50%	75%	100%	100%	100%	Cumulative	RSD		
10	Modernization of National Electronic Payment Switch (NEPS)	PSD	EG	10%	50%	100%	100%	100%	100%	Cumulative	MISTD	GSSD	
11	# of Financial Institutions Integrated to NEPS (Banks, NBFIs etc...)	PSD	EG	0	0	21	30	40	50	Cumulative	MISTD	RSD	
12	Upgrade of RTGS	PSD	EG	0%	50%	100%	100%	100%	100%	Cumulative	MISTD	GSSD	
13	Upgrade of ACH-ACP	PSD	EG	0%	50%	100%	100%	100%	100%	Cumulative	MISTD	GSSD	
14	Upgrade of Data Center	PSD	EG	0%	50%	100%	100%	100%	100%	Cumulative	MISTD	GSSD	
15	Establishment of Liberia Inter-bank Payment & Settlement System (LIB-PSS)	PSD	EG	0%	0%	0%	25%	50%	100%	Cumulative	LEGAL		

16	Conduct Comprehensive Research on Central Bank Digital Currency (CBDC)	PSD	EG	0%	0%	25%	50%	75%	100%	Cumulative	RPPD	RSD	MISTD
17	Create and Operationalize the Security Operating Center (SOC)	PSD	EG	0%	0%	25%	50%	75%	100%	Cumulative	MISTD	GSSD	
18	Rollout Unique Bank Identification and Digital Interoperability System	RSD	EP	0%	50%	100%	100%	100%	100%	Cumulative	PSD	MISTD	

Financial Stability (23 KPIs): Aims to safeguard the stability of Liberia's financial system through metrics like capital adequacy, non-performing loan ratios, and liquidity management. This pillar ensures that banks and other financial institutions remain solvent and robust.

Financial Stability KPIs for SP 2025-2029													
	Description	Assignment		Targets							Linked Departments		
#	KPI	Lead Department	Cluster	Baseline (2024)	2025	2026	2027	2028	2029	Type	Dept.1	Dept. 2	Dept.3
1	Submission of Draft Insurance Act to the Legislature for the Establishment of an Independent Insurance Commission	ID	EP	20%	100%	-	-	-	-	Cumulative	LEGAL		
2	Digitization of Reporting of Insurers to the CBL	ID	EP	0%	90%	100%	100%	100%	100%	Cumulative	MISTD	GSSD	
3	Transition to IFRS 17	ID	EP	0%	40%	80%	100%	100%	100%	Cumulative			
4	Establishment of International Testing Center for Insurance Professionals	ID	EP	0%	100%	100%	100%	100%	100%	Cumulative	MISTD	GSSD	
5	Transition to Risk-based Supervision (RBS) & Risk-based Capital (RBC)	ID	EP	0%	0%	50%	80%	100%	100%	Cumulative			

6	Conduct of Basel Core Principles (BCP) Assessment	RSD	EP	30%	80%	100%	100%	100%	100%	Cumulative			
7	Conduct of Financial Sector Assessment Program (FSAP)	RSD	EP	0%	10%	85%	100%	100%	100%	Cumulative	PSD	ID	DFS
8	Development of IFRS 9 Challenger Model	RSD	EP	0%	20%	40%	70%	100%	100%	Cumulative			
9	Adoption & Implementation of Basel II & II Framework	RSD	EP	20%	40%	60%	80%	100%	100%	Cumulative			
10	Drafting of Non-bank Financial Institutions (NBFIs) Act	RSD	EP	5%	50%	100%	100%	100%	100%	Cumulative	LEGAL		
11	Development of a Framework for Specialized Deposit Taking	RSD	EP	10%	45%	70%	100%	100%	100%	Cumulative	DFS		
12	Develop Framework for Sustainable Banking and Climate Risks	RSD	EP	0%	50%	75%	100%	100%	100%	Cumulative	DFS		
13	Develop Macroprudential Policy Framework	RSD	EP	0%	10%	70%	100%	100%	100%	Cumulative	PSD	ID	DFS

14	Develop Framework for Domestic Systemically Important Banks (D-SIBs)	RSD	EP	0%	15%	50%	75%	100%	100%	Cumulative			
15	Develop Crisis Management & Bank Resolution Framework	RSD	EP	60%	100%	100%	100%	100%	100%	Cumulative			
16	Digitize Reporting of NBFIs to the CBL	RSD	EP	0%	50%	100%	100%	100%	100%	Cumulative	PSD	DFS	MISTD
17	Enhancement of Credit Reference & Collateral Registry Systems	RSD	EP	5%	60%	100%	100%	100%	100%	Cumulative	MISTD	DFS	
18	Develop Enhanced Credit Risk Management Framework	RSD	EP	25%	100%	100%	100%	100%	100%	Cumulative			
19	Deploy Automated System for Consumers' Complaints	RSD	EP	60%	100%	100%	100%	100%	100%	Cumulative	MISTD	PSD	
20	Issue Guidelines for the Professional Code of Ethics for FIs	RSD	EP	0%	50%	100%	100%	100%	100%	Cumulative			
21	Issue Guidelines for Professional Certification Requirements in the Banking Sector	RSD	EP	0%	50%	100%	100%	100%	100%	Cumulative			

22	Issue Cyber Security Guidelines for FIs	RSD	EP	25%	50%	100%	100%	100%	100%	Cumulative	MISTD	PSD	
23	Establishment of Deposit Protection Fund	RSD	EP	0%	50%	100%	100%	100%	100%	Cumulative	LEGAL		

Operational Efficiency (28 KPIs): Focuses on improving the internal operations of the Central Bank, including system uptime, cybersecurity, and human resource development. These KPIs are designed to ensure efficient delivery service and institutional resilience.

Operational Efficiency KPIs for SP 2025-2029

	Description	Assignment		Targets							Linked Departments	
#	KPI	Lead Department	Cluster	Baseline (2024)	2025	2026	2027	2028	2029	Type	Dept.1	Dept. 2	Dept.3
1	Number of Staff Sponsored by the CBL in Professional Certification Programs	HRMD	Operations	-	12	12	12	12	12	Flow	ALL		
2	Improve the uptime Rate of Systems	MISTD	Operations	70%	75%	85%	90%	95%	98%	Flow	GSSD		
3	Reduce the Failure Rate of Cyber Threats	MISTD	Operations	99%	99%	99%	99%	99%	99%	Flow			
4	Increase the Share of CBL's Systems that are Virtualized	MISTD	Operations	5%	30%	40%	50%	60%	70%	Cumulative	GSSD		
5	Increase the share of Systems Migrated to Cloud	MISTD	Operations	1%	25%	35%	40%	45%	50%	Cumulative			
6	Increase the number of Business Processes Using Artificial Intelligence (AI)	MISTD	Operations	-	2	4	6	8	10	Cumulative			
7	Integrate SWIFT to Core Banking Application (T-24)	Banking	Operations	25%	60%	70%	80%	90%	95%	Cumulative	MISTD		
	Procurement of cash processing machines	Banking	Operation	25%	60%	70%	80%	90%	95%	Cumulative	GSSD		
8	Migrate SWIFT from Old Message to New ISO 20022	Banking	Operations	0%	60%	70%	85%	90%	95%	Cumulative	MISTD		

9	Expansion of T-24 Across all Collectorates and Hubs	Banking	Operations	20%	80%	90%	100%	100%	100%	Cumulative	MISTD	GSSD	
10	Improve the share of Manual Clearing	Banking	Operations	20%	0%	0%	0%	0%	0%	Flow	PSD		
11	Increase the share of annual goods/service/maintenance contracts signed	GSSD	Operations	0%	25%	35%	45%	55%	60%	Cumulative	LEGAL		
12	Increase the share of Green or Other Alternative Sustainable Energy Sources	GSSD	Operations	0%	10%	15%	20%	25%	30%	Cumulative			
13	Adopt an E-procurement System	GSSD	Operations	0%	0%	35%	45%	55%	75%	Cumulative	MISTD		
16	Ensure compliance with IFRS S1 & S2	Finance	Operations	0%	0%	100%	100%	100%	100%	flow			
17	Number of Staff Sponsored by the CBL to enroll in PhD programs	HR	Operations	-	-2	2	2	2	2	Flow	ALL		
18	Automation of Processes using Dynamic GP	Finance	Operations	0%	30%	50%	70%	80%	100%	Cumulative	MISTD		
19	Implementation of Effective Succession Planning and Management Framework	HR	Operations	0%	100%	100%	100%	100%	100%	Cumulative			
20	Implementation of Digital Filing & Automated HR System	HR	Operations	0%	50%	100%	100%	100%	100%	Cumulative	MISTD	GSSD	
21	Revised Talent Acquisition and Career Development Framework	HR	Operations	0%	100%	100%	100%	100%	100%	Cumulative	LEGAL		

22	Revised Staff Benefits and Incentives System / Framework	HR	Operations	0%	100%	100%	100%	100%	100%	Cumulative	Finance		
23	# of Staff Sponsored by the CBL to get Continuing Professional Development (CPD)	HRMD	EG	5	5	5	5	5	5	Flow	ALL		
24	Deployment of Audit Software	Audit	EG	50%	100%	100%	100%	100%	100%	Cumulative	MISTD	GSSD	
25	Deployment of Risk Management Software	RMCD	EG	0%	100%	100%	100%	100%	100%	Cumulative	MISTD	GSSD	
26	Number of Staff Sponsored by the CBL to enroll in Master's Degree Programs in Critical Fields to Central Banking	HRMD	EG	0	5	5	5	5	5	Flow	ALL		
27	Host Economic Forum (EF)	Coms	EG	0	2	2	2	2	2	Flow	GSSD		
28	Create Archives for historical CBL records and artifacts	Coms	EG	0%	50%	100%	100%	100%	100%	Flow	GSSD	Banking	
29	Undertake Activities for the Celebration of CBL's Silver Jubilee	Coms	EG	0%	100%	0%	0%	0%	0%	Flow	GSSD		
30	Host Media Orientation Workshop	Coms	EG	0	1	1	1	1	1	Flow	GSSD		

7.1 Monitoring and Evaluation Framework

1. Monitoring Mechanism

The CBL will employ a robust monitoring mechanism throughout the Strategic Plan period. There shall be a Monitoring and Evaluation (M&E) Team including the Senior Director of Operations, the Senior Director for Economic Policy and the Senior Technical Advisor to the Executive Governor, representing the Operations, Economic Policy and Executive Governor's clusters respectively. The team shall also include a member of staff from MISTD responsible for the management and operations of an online SP Monitor. There shall be an SP Coordinator who will perform the day-to-day follow-up and support of departments. One of the team members or a designated person may be appointed by Management as head of the team. The team will collaborate with all departments to track progress through the following methods:

a) **Quarterly Progress Reports:** Each department will submit via the SP Monitor, quarterly updates highlighting achievements, challenges, and progress toward meeting their CIs and KPIs.

b) **Semi-Annual Reviews***:* Semi-annual review meetings will be held to assess cumulative progress and make necessary adjustments.

Annual Review: Not later than December 15, every year during the life of the SP, each department shall be responsible for providing actual results compared to their targeted KPIs and CIs along with evidence of achievement. These performance results shall be vetted / verified by the M&E team and a result from the team shall be inputted in the SP monitor to form the part of the consolidated Annual SP Implementation Report. Copies of these reports shall be presented to Management and the Board of Governors based on each frequency. The CBL in its annual retreats shall consider the implementation reports of the SP.

2. Key Monitoring Tools

a) Performance Dashboards: Automated dashboards on the SP monitor, an automated platform, for tracking KPIs in real-time. The SP monitor will also generate real-time management reports.

b) Stakeholder Engagement: Regular discussions with departments, and consultations with other stakeholders will provide feedback on progress and inform course corrections.

c) **Surveys and Assessments:** Periodic surveys such as financial inclusion and literacy surveys, independent reports and external audits will provide additional data points to complement internal monitoring.

3. Overall SP Evaluation Process

The overall SP evaluation process will follow a structured approach to assess outcomes and impacts:

a) **Mid-Term Evaluation (2027):** The Risk and Compliance Department (RCD) will conduct a comprehensive evaluation at the midpoint of the Strategic Plan to assess the effectiveness of interventions and whether targets are on track. At this stage, the Board may choose to reprioritize the Cis and/or consider new Cis based on evolving developments in the economy or financial system.

b) **Final Evaluation (2029):** At the conclusion of the Strategic Plan period, an external independent evaluation will assess the overall impact of CBL's initiatives on the economy, financial sector stability, and inclusion.

c) **Lessons Learned:** The final evaluation will also identify lessons learned, which will inform future strategic planning processes.

4. Accountability and Reporting

a) **Departmental Accountability:** Each department will be responsible for achieving its specific CIs and KPIs, and this will be tied to the CBL's performance appraisal system. The CBL will reward good performance and create disincentives for poor performance. Departments and sections will be required to develop their annual workplans ensuring that these plans captured their activities, KPIs and CIs in the SP. Directors and Heads of Sections are also required to carry their staff along the implementation process.

b) The RCD will submit semi-annual report to Executive Management on the status and progress of implementation of the SP and performance.

c) **External Reporting:** Progress on the Strategic Plan will be shared annually with external stakeholders, including the government, international development partners, and the public, through the CBL's Annual Report and CBL website.

d) **The Board of Governors and Management:** All reports on the SP implementation shall be submitted to Management and the Board of Governors. The Board shall exercise the oversight and governance of the implementation of the SP, including decision making on prioritization and re-prioritization in response to changing and evolving developments.

5. Annual Appraisal and Performance

The implementation of the SP deliverables will form a key part of the annual appraisal and evaluation of the performances of departments and sections, which will be monitored and evaluated by Human Resource Management Department (HRMD).

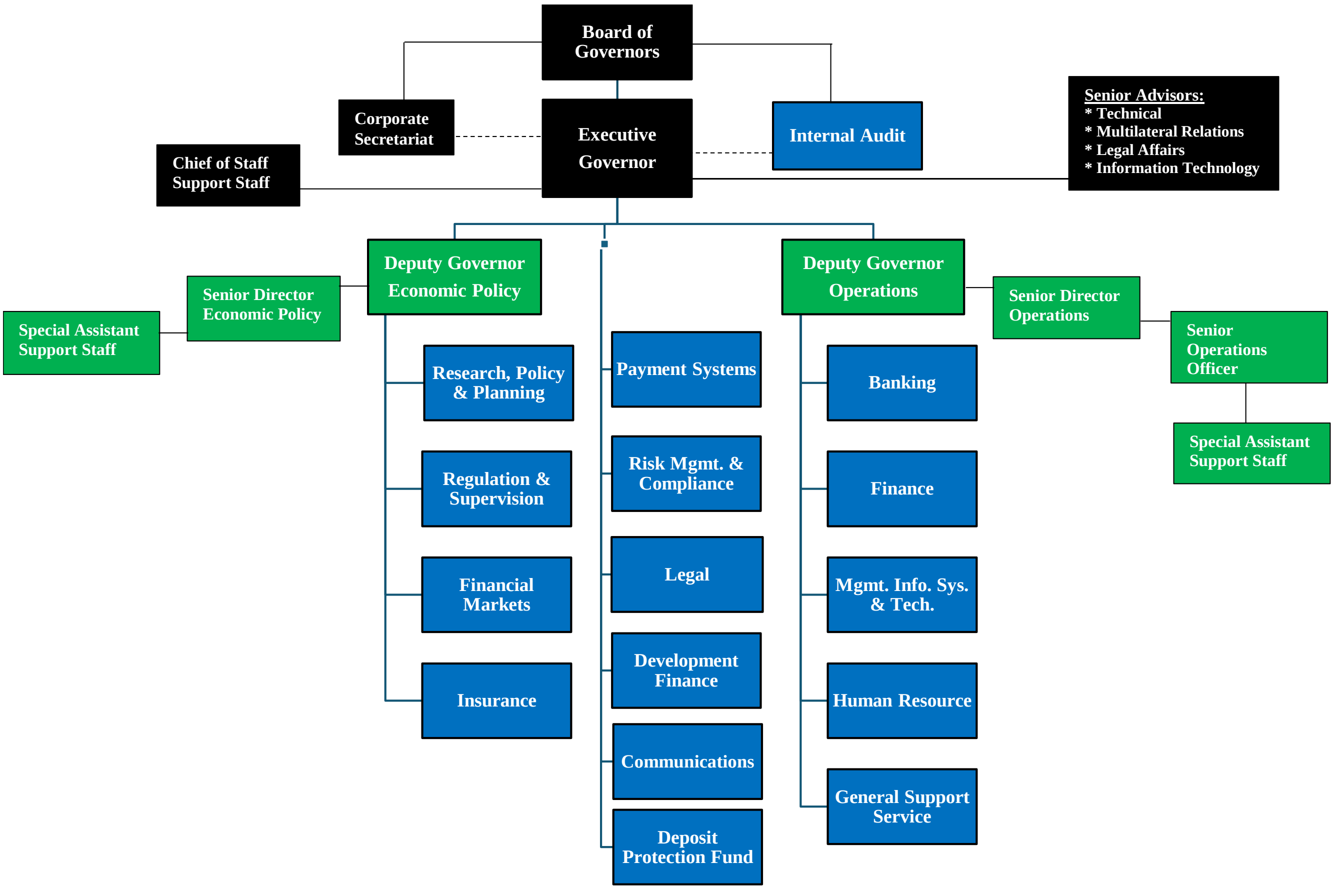
CHAPTER 8.0: CBL'S REVISED ORGANOGRAM

The CBL has fifteen (15) departments distributed across three divisions as follows:

i. The Executive Governor Division: (1) Payment System Department; (2) Risk and Compliance Department; (3) Legal Department; (4) Development Finance Department; (5) Communications Department; (6) Internal Audit Department – with administrative reporting to the Executive Governor and direct reporting to the Board. A new unit is also established under the Executive Governor's cluster to handle the deposit insurance fund.

ii. The Deputy Governor for Operations Division: (1) Banking Department; (2) Finance Department; (3) Management Information System & Technology Department; (4) Human Resource Management Department; and (5) General Support Service Department.

iii. Deputy Governor for Economic Policy Division: (1) Research Policy & Planning Department; (2) Regulation & Supervision Department; (3) Financial Markets Department; and (4) Insurance Department.


Board of Governors
Corporate Secretariat
Executive Governor
Internal Audit
Senior Advisors:
* Technical
* Multilateral Relations
* Legal Affairs
* Information Technology
Chief of Staff Support Staff
Deputy Governor Economic Policy
Senior Director Economic Policy
Special Assistant Support Staff
Research, Policy & Planning
Regulation & Supervision
Financial Markets
Insurance
Payment Systems
Risk Mgmt. & Compliance
Legal
Development Finance
Communications
Deposit Protection Fund
Deputy Governor Operations
Senior Director Operations
Senior Operations Officer
Special Assistant Support Staff
Banking
Finance
Mgmt. Info. Sys. & Tech.
Human Resource
General Support Service

CHAPTER 9.0: COSTING OF THE SP

The SP has fifty-five (55) projects/activities that have been costed, amounting to US$63.32 million. Seven of the projects (Credit Reference, Line of Credit, National Electronic Payment Switch along with the other critical payments infrastructures, such as upgrade of the data center, RTGS, etc..) already have funding commitments from donors/partners amounting to US$16.01 million, thus leaving a total of US$47.3 million funding gap. Of this amount, the CBL has included in its budget for 2025 and 2026 a total of US$6.31 million thereby reducing the funding gap to US$41.00 million. Below are ten (10) key projects / critical initiatives of the SP which account for the funding gap for which the CBL would explore from donor and other sources:

1) Supporting Medium to Long-term Lending to Mortgage, Agriculture, and MSME Sectors – (Funding Gap of US$14 million) – Potential sources of funding are the donor community and the Government of Liberia.

2) Establishment of a State-of-the-Art Learning Center (Funding Gap of US$7 million) – Potential funding sources include USAID, EU, Embassies of Friendly Governments accredited near Monrovia.

3) Promotion of Green Finance and Sustainable Investments – (Funding Gap of US$6.04 million) - Potential funding sources are the World Bank, African Development Bank, the European Union, and International Climate Finance Resources available to the Government of Liberia.

4) Investment in Digital Procurement (e-procurement) – US$1.05 million & Sound & Solid Facilities (Upgrades of the building and other physical IT infrastructures of the CBL Headquarter and other payment hubs) – US$2.6 million, thus having a combined funding gap of – US$ 3.65 million. This is expected to be funded through innovative revenue mobilization by the CBL over the life of the SP as well as other sources to be identified.

5) IT Infrastructure Stabilization (upgrading the core IT infrastructure of the CBL) - (Funding Gap of US$0.184 million) – Potential areas of funding include World Bank, African Development Bank, innovative revenue mobilization by the CBL over the life of the SP as well as other sources to be identified.

6) Establishment of an Insurance Commission (the Law requires that by 2027 there should be an independent Insurance Commission as opposed to having insurance regulation and supervision within the CBL) – Funding Gap of US$2.14 million. Potential areas of funding include the Government of Liberia through the National Budget, as well as other donors.

7) SWIFT integration to core banking application, migration to new ISO20022XML message (XL) and restoration and expansion of ACH platform BD – Funding Gap of US$0.97 million. The CBL intends to source funding from the donor community to implement this reform.

8) Digital Reporting System for the rendering of reports/returns to the CBL by the Non-bank Financial Institutions Sector (NBFIs) including the Mobile Money Companies and Fintech's – Funding Gap of US$0.85 million. The CBL will explore the possibility of financing from donor sources.

9) Expansion of Financial Inclusion Across Rural and Underserved Communities and Groups – This involves revitalizing the Rural Community Finance Institutions (RCFIs) the Credit Unions (CUs) and the Village Savings and Loan Associations (VSLAs) – Financing Gap is US$0.74 million. The CBL intends to source part of the funding gap from MNOs and other interested donors.

10) Establishment of Liberia Inter-bank Payment and Settlement System (LIB-PSS) – consistent with regional practice, this seeks to establish an Operating Company that will be responsible for the management of Liberia's national payments ecosystem. The funding gap is US$0.6 million. Potential sources of financing include the Bill Gates Foundation, and PPP arrangement. Like in other countries, the LIB-PSS is expected to be self-sustainable in the near-term.

9.1 Summary of Implementation Risks for CBL's Strategic Plan (2025-2029)

As with the previous strategic plans, the successful implementation of the new Strategic Plan (2025-2029) faces several key risks, including weak oversight, financial constraints, operational challenges, regulatory complexities, and external factors, including political, economic and social factors. Therefore, it is critical that the new Plan takes into account these risks and the necessary mitigation strategies and action to ensure that the implementation process is kept on course.

This risk assessment is intended to guide the successful implementation of the Strategic Plan, notwithstanding the potential risks and challenges.

The primary risks that could potentially impact the implementation of the Plan include:

1) Weak Internal Oversight

a) Weak oversight of the Board and Executive Management could lead to department heads and other responsible officers not taking the implementation of the Plan seriously as was the case with the previous SPs.
b) Slow decision-making and response of the Board and Executive Management to issues relating to the implementation of the plan could serve as disincentive for the implementation of the Plan.

2) Financial Constraints

a) Limited budget allocation and reduction in external funding or the lack thereof could hinder the execution of key initiatives.

b) Funding gaps for critical projects such as the SP's signature project, State-of-the-Art Learning Center, development financing programs including lending schemes for green financing, MSME, Mortgage and the agriculture sector, and digital reporting system for non-bank financial institutions (NBFIs), may slow implementation.

3) Regulatory and Institutional Risks

a) Potential delays in aligning new policies and frameworks with legislative and regulatory requirements.

b) Need for effective enforcement of financial sector regulations and international standards (e.g., Basel II & III, IFRS, and Financial Sector Assessment Programs).

c) Weak collaboration or lack of coordination with other regulatory bodies which could undermine the implementation of certain projects.

4) Operational Risks

a) Limited IT infrastructure and digital transformation challenges could impact key financial systems such as regulatory reporting, digital payment expansion, and automated risk management.

b) Inefficiencies in internal processes, including procurement, human resource management, and compliance monitoring, may lead to delays.

5) Political and Governance Risks

a) Political interference, particularly any form of fiscal dominance, may undermine CBL's independence and the effectiveness of monetary policy.

b) Governance challenges, including slow decision-making processes, relating to externally or nationally funded projects could impact project execution.

6) Economic and Market Risks

a) Liberia's high level of dollarization (USD accounting for approximately 70% of the money supply) complicates monetary policy implementation and exposes the Liberian economy to significant exchange rate volatility and limits the ability of the Bank to intervene in the .

b) External shocks, such as global economic downturns, commodity price volatility, inflationary pressures domestic and global health pandemic, could affect macroeconomic and financial stability.

7) Stakeholder Coordination Challenges

a) Effective collaboration with government agencies, financial institutions, and development partners is crucial but may be hindered by bureaucratic processes.

b) The success of financial inclusion and digital financial services initiatives relies on engagement from banks, fintech companies, and mobile money operators as key stakeholders.

8) Cybersecurity and Technological Risks

a) Growing reliance on digital financial services increases vulnerabilities to cyber threats, requiring enhanced risk management frameworks and IT security protocols.

b) The transition to new digital systems (e.g., SWIFT migration, risk management software deployment) must be carefully managed to avoid disruptions.

c) The lack of effective national policy, strategy and coordination could undermine the benefits of digitalization of the financial system and the wider economy, which could impact the successful implementation of the SP.

9) Mitigation Strategies

To address these risks, the CBL will:

1) Strengthen resource mobilization efforts, including seeking donor and government support for key and targeted initiatives.
2) Enhance legal and regulatory frameworks to ensure alignment with international best practices.
3) Invest in IT infrastructure and cybersecurity to support financial sector digitization.
4) Foster transparency and accountability in policy implementation.
5) Maintain strong engagement with stakeholders to ensure coordinated execution of strategic initiatives.
6) Put in place effective monitoring and reporting to keep the implementation of the Plan under close supervision of the Executive Management and the Board.