

**CENTRAL BANK OF LIBERIA
REGULATION & SUPERVISION DEPARTMENT**

MEMORANDUM

To : J. Aloysius Tarlue, Jr. *[Signature]*
Executive Governor 11/30/2023

Cc : Nyemadi D. Pearson
Deputy Governor for Operations

Thru : Musa Dukuly (PhD) *[Signature]*
Deputy Governor for Economic Policy

From : Fonsia M. Donzo *[Signature]*
Director, RSD/Chair Special Committee

Re : **Recommendation to set up Project Implementation Team
and Steering Committee for Unique Bank Identification (UBI)**

Date : November 22, 2023

Reference the attached communication from the West Africa Monetary Institute (WAMI) requesting the Central Bank of Liberia (CBL) to set up an In-Country Implementation Team and a Steering Committee for the implementation of UBI.

According to the communication, WAMI and the African Development Bank (AfDB) have signed the Protocol of Agreement of the WAMZ UBI and digital operability project. The UBI Project entails the development of a harmonized digital identification framework for the financial sector within the Zone and the deployment of a robust digital identification database for KYC and AML/CFT due diligence purposes in The Gambia, Guinea, Liberia, and Sierra Leone. UBI will create a database where all customers conducting financial transactions will be uniquely identified.

The UBI has been designed to leverage central banks' regulatory power to mandate the development and deployment of an irrefutable, robust, scalable, and inclusive

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identification number across financial service providers (FSPs) in the WAMZ region. The UBI will ultimately be a major identification factor within the financial sector linking individuals to all their financial accounts. Such a reform will help mitigate multiple identity fraud, identity theft, and nonperforming loans. It will reduce the diligence costs of Know Your Customer (KYC), improve compliance with AML/CFT requirements, and facilitate customer access to digital financial and social services. The UBI will be interoperable with the ECOWAS interoperable biometric identification framework and seek compatibility with the Nigerian BVN through a harmonized framework for greater regional integration. The implementation of the UBI and digital operability is expected to increase financial inclusion and reduce cost of transaction.

The UBI project targets the financial sector. Potential direct users of the system include bank and non-bank financial services providers, mobile money operators, and insurance service providers, amongst others. However, WAMI, and the CBL agreed to adopt a phased approach focusing on commercial banks for the first iteration of the project.

CBL will provide an in-kind contribution to the project financing by seconding qualified staff to run the in-country project team. CBL and participating commercial banks will also finance the participation of their staff to project activities including regional meetings outside Liberia. The participating commercial banks agree to support the cost related to the full deployment of the UBI equipment at their head offices and branches, as well as participate in the maintenance of the system. The AfDB grant will cover the cost related to the deployment of an initial set of equipment for testing purposes.

The total project cost is estimated at UA 6,956,311 or US\$8,903,383. The AfDB grant amounts to UA 6,060,148 or US\$7,756,383. Participating countries will provide an in-kind contribution of UA 864,911 or US\$1,107,000. The cost of Liberia's project is UA 1,474,465 or US\$1,887,168 and Liberia's contribution is estimated at UA 224,041 or US\$286,750.

The UBI is a regionally led project with national emphasis. The project governance structure has been designed to ensure adherence and ownership by the central banks and financial service providers.

Each beneficiary country/Central Bank shall establish and maintain at all times during implementation of the Project: (1) in-country Project implementation team responsible for the day-to-day management of Project activities; and (2) National Project Steering Committee, for purposes of advising respective in-country Project

implementation teams and overseeing Project delivery at the national level, with staffing and resources satisfactory to the Fund.

The In-Country Project Implementation Team, as per WAMI communication, shall be composed of the following:

1. Fonsia Mohammed Donzo – National Project Coordinator/Director Regulation & Supervision Department
2. Miatta Kuteh – Director, Payment Systems Department
3. John Wangolo – Director, Management Information System & Technology Department
4. Cllr. Esther Barclay – Director, Legal
5. Alphonso Zeon – Communication and Knowledge Management Expert
6. Atty. Barue A. Morris – Legal Expert (Knowledge of Digital ID System)
7. Doreen McIntosh - Representative of the Bankers Association
8. Supuwood Tarpeh/Marcus Davis - Monitoring & Evaluation Officer

The National Project Steering Committee shall compose of the following:

1. Hon. J. Aloysius Tarlue, Jr. or a designate – Governor, Central Bank of Liberia
2. Dr. Olorunsola E. Olowofeso – Director General, WAMI
3. Five (5) Representatives of the Financial Services Providers (FSB) – Commercial Banks
4. MD of the National Identification Project
5. Fonsia Mohammed Donzo – National Project Coordinator.

Meanwhile, WAMI has informed CBL that it has received “No Objection” from AfDB to recruit a procurement specialist the UBI Project Implementation Unit (PIU). WAMI has therefore requested that CBL publishes the link to the Request for Expression of Interest (REOI) on its website.

On the basis of the above, we recommend that Management approves the setting up of these committee and formally communicate to WAMI on the formation of these committees. Additionally, we seek Management’s approval for the publication of the link to the Request for Expression of Interest (REOI) on the CBL website.

Regards