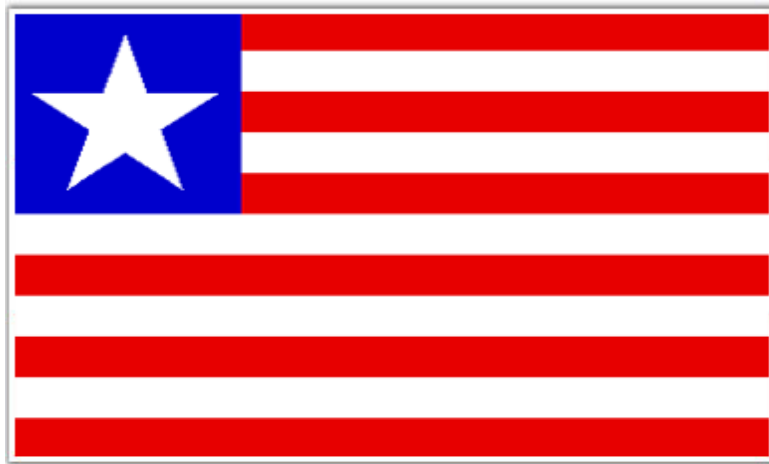


Liberia



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Executive Summary

The Republic of Liberia, is a country on the west coast of Africa, bordered by Sierra Leone, Guinea, Côte d'Ivoire, and the Atlantic Ocean. As of 2008, the nation is estimated to be home to 3,489,072 people and cover 111,369 square kilometers (43,000 sq mi). The history of Liberia is unique among African nations, due to its roots as a colony founded by freed slaves from the United States. These freed slaves formed an elite group in Liberian society, and, in 1847, formed a government based on that of the United States, naming their capital city after James Monroe, the fifth president of the United States. This government was overthrown by a military-led coup in 1980, which marked the beginning of a period of instability and civil war that left hundreds of thousands of people dead and devastated the country's economy. Today, Liberia is recovering, and despite its lack of adequate infrastructure and poverty, it has experienced economic growth.

After many years of civil war Liberia is experiencing a period of political stability, supported by a large contingent of UN troops to maintain security. Local security forces were decommissioned after the war and are being rebuilt, with training provided by foreign military experts.

Liberia is rich in natural resources, notably diamonds, gold, iron ore, timber and rubber. There are also large tracts of arable land, although much of this is currently underutilized.

The agricultural sector, which consists largely of subsistence farming, accounts for 62% of GDP. Much of the infrastructure that supports the industrial and service sectors was destroyed during the civil war and is only slowly being rehabilitated. Reconstruction activity is the main driver of real GDP growth and it is largely funded by foreign donors. Major rehabilitation of the iron-ore industry is under way, with significant investment by the international steel company, Arcelor Mittal, which should enable mining to become a major economic sector once again. Diamonds and gold are currently mined in small-scale operations by artisanal miners. Most employment is in the informal sector, reflecting the limited size of Liberia's formal economy. In the formal sector, rationalization of the civil service has seen the public-sector workforce fall

significantly in recent years, although the post-war economic recovery has led to a substantial rise in private-sector employment.

The trade deficit is estimated to have grown in recent years, as exports have recovered at a slower pace than imports. Rising imports have been driven by demand for inputs for reconstruction and for consumer and intermediate goods, as well as by rising international prices for food and fuel.

Natural Resources:

Liberia is rich in natural resources, notably iron ore, diamonds, gold, timber and rubber. Its extensive forest cover includes two-thirds of the Upper Guinean Rainforest, which has a unique biodiversity that global conservation groups are eager to protect. However, the felling of substantial numbers of trees by various factions during the civil war, and by private companies in the post-war period, has raised serious concerns about deforestation. Large parts of Liberia consist of fertile soil suited to farming, but much of this is currently underutilized.

Infrastructure:

Liberia's infrastructure was largely destroyed by civil war and remains in a very poor state. Some emergency repairs have taken place, and numerous governments and donor-directed reconstruction programs are under way, but in the meanwhile travelling around the country remains difficult, and various amenities in the capital, Monrovia, are still not functioning.

Railways

There are no passenger railways, although mining companies own around 500 km of single-track lines, which have not been operational for 20 years. Rehabilitation is in progress as part of plans to rehabilitate the iron-ore industry, particularly between Yekepa in the north-east and the port of Buchanan.

Roads

Liberia's road system is patchy and in extremely poor condition. The road network totals around 10,000 km, of which 1,600 km is paved. Many roads are impassable during the rainy season and have to be re-graded every year. A major road and bridge reconstruction program is under way, but progress has been slow owing to lack of capacity and funding. Construction and maintenance is made difficult during the rainy season, when heavy flooding occurs.

Ports

Of the five ports which were operational before the war (Monrovia, Buchanan, Greenville, Harper and Robertsport) only the port of Monrovia is still fully operational and currently handles about 28 vessels per month. The port of Buchanan is expected to undergo rehabilitation as part of efforts to revive the iron-ore industry.

Air transport

Roberts International Airport (also known as Robertsfield), 45 km east of Monrovia, is Liberia's only international airport. There are limited international flights to Liberia, such as from Brussels on SNBrussels and from London Gatwick on Astraesus. In addition, several regional airlines (mostly chartered) fly to Monrovia. Only five domestic airports have been repaired, which are only used by the UN forces.

Energy

Owing to extensive damage to infrastructure during the civil war, no electricity was available for 15 years until mid-2006, when an emergency plan saw 2.7 mw installed for Monrovia. The restoration of the capital's old infrastructure (173 mw) is under way, but rural electrification is still a long way off. Only a few businesses can afford diesel generators, and most people use firewood, charcoal, kerosene or palm oil. All petroleum is imported, and periodic foreign exchange shortages have resulted in disruption to supplies.

Telecommunication

The Liberia Telecommunications Corporation (LTC) is the country's only public corporation providing fixed-line telephone services. Before the war the LTC served 10,000 subscribers; by 2001 this had been reduced to just 6,800. Meanwhile, demand for mobile-phone services has exploded: mobile subscriptions have risen from 1,500 in 2001 to 563,000 in 2007. There are four mobile network operators in the country. The increasing competition between Liberia's four mobile-phone service providers has helped to reduce the costs of SIM cards and mobile-phone calls. LiberCell is the biggest in terms of area coverage, providing wide network availability outside the capital to cover a number of other towns and rural areas. LiberCell launched general packet radio signal (GPRS) in Liberia 2006, which replaced its previous analogue-based network. This new service allows subscribers to access wireless Internet and transmits text, picture and audio files. The speed with which users are able to access the Internet through LiberCell is estimated to be three times faster than through other Internet service providers in Liberia. Internet access is otherwise restricted to the capital and large towns because of the poor or non-existent telecoms infrastructure in other areas.

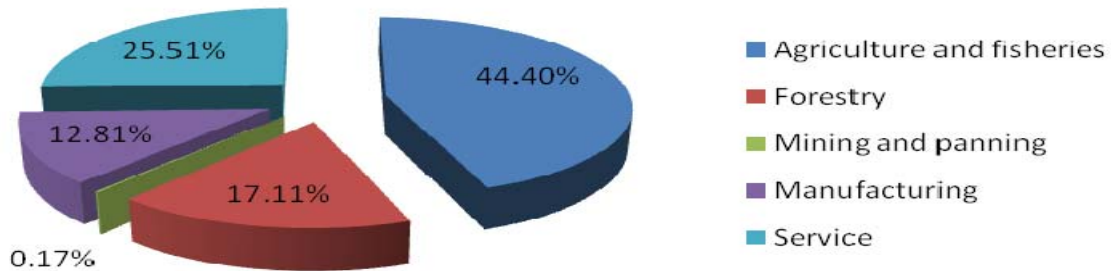
Perhaps cut down on the infrastructure section? This wasn't one of the foci of the Allen's format and at 4 pages might be a bit too long...

Macroeconomics data:

Population:	3.6M (2008 census)
Population growth rate:	3.2%
GDP (nominal)/ per capita:	\$735M/\$195
GDP growth rate (%):	9.4%
Consumer Price Inflation:	11.4%
Current-account balance (US\$ m):	-112.0
Total external debt (US\$ m):	4,725.0
Currency:	Liberian Dollar (LRD)
Exchange rate (av; L\$:US\$):	61.3
Human Development Index:	0.364 (low – 176)
Total adult literacy rate:	52%
Unemployment rate:	80%
Interest rate:	14.2%

The Central Bank's 2008 Annual Report revised GDP growth estimate from 9.5% to 7.1%. Inflation fell from an annualized 22.6% to 9.4% in two quarters end of December, driven mainly by fall in international oil and food prices. This exposes Liberia's high dependence on world markets.

GDP Per sector



Even by the standards of Sub-Saharan Africa, where many of the available economic data are questionable, those on Liberia's economy tend to be particularly uncertain, while data series often contain large gaps. The problem has been exacerbated by the fact that much of the institutional infrastructure and many data on the economy were physically destroyed during the civil war. In addition, with the economy collapsing, more activity has taken place in the unrecorded informal sector. Under the presidency of Charles Taylor (1997-2003) smuggling was also rife, and this continued under the transitional government that followed his departure. However, efforts since the ending of the country's civil war in 2003 to restore Liberia's statistical database have seen an improvement in the data available. The IMF has published current data in its recent Article IV consultation reports, and the Central Bank of Liberia (CBL) is publishing regular updates on macroeconomic developments. Liberia's economy has traditionally been based on subsistence agriculture, rubber, mining (mainly of iron ore, but also of gold and diamonds) and timber. Apart from rubber, timber and palm-oil plantations, agriculture is almost entirely limited to subsistence farming (a mixture of food and cash crops, including rice, coffee and cocoa). Mining was a major economic sector before the war and is expected to regain its importance, once work to rehabilitate old mining infrastructure is completed. The services sector remains small, reflecting the devastation of much of the country's infrastructure, which has severely affected all subsectors, including transport,

telecommunications, tourism, government services, finance, and electricity and water distribution. However, a rapid recovery is also taking place in this sector, which should see services assuming a far more dominant role.

I. Banking System

The banking sector is now composed of eight commercial banks:

1. Liberian Bank for Development & Investment (LBDI)
2. Ecobank Liberia Limited (EBLL)
3. International bank Liberia Limited (IBLL)
4. Global Bank Liberia Limited (GBLL)
5. First International Bank Liberia (FIBLL)
6. United Bank for Africa Liberia Limited (UBALL)
7. AccessBank Liberia (ABL)
8. Guaranty trust Bank Liberia (GTBL)

The balance sheet of the banks as an industry continued to improve during the quarter. Total assets in the industry grew by 8.7 percent over the level recorded for the third quarter. Deposits rose by 9.9 percent and gross loan portfolio, by 3.5 percent for the same period. Other prudential indicators also showed stability and improvement during the quarter. As at end-November, 2008, the banking sector gross assets totaled L\$19,034.0 million, increasing by 35.4 percent over the level recorded at end-December, 2007 and representing over 40% of total GDP. The total capital (net worth) of the sector rose by 37.5 percent to L\$2,311.0 million, when compared with the level at the end of 2007.

List of banks and structure

Bank name	Information	Business Activities	Ownership Structure
LBDI	Lbdi.mails@lbdi.net www.lbdi.net 231-6-513-498	Development Banking Commercial Banking Western Union E-tool Fund transfer	Gov of Lib. 18.61% Private Lib: 10.29% Local Comp.: 22.80% Priv. Foreign Comp: 48.30%
EBLL	ecobanklr@ecobank.com 231-6-689-658	Commercial Banking Western Union	100% owned Ecobank Transitional Inc / Togo
IBLL	customarcare@ibliberia.com 321-6-974-649	Commercial Banking Money Gram	Foreign/Priv: 96% Private Individual: 4%
GBLL	mail@globalbankliberia.com 231-4-751-878	Commercial Banking Money Gram	100% owned by Bank PHB
FIBLL	info@fib-lib.com 231-77-825-850	Commercial Banking Money Gram	Private/Local: 3% Private/Foreign: 97%
UBALL	www.ubagroup.com 231-6-448-000	Commercial Banking Money Gram	Private/Foreign: 100%
ABL	info@accessholding.com 231-77-006-688	Commercial Banking Microfinance banking	Accessholding/AFDB/European Investment Bank/IFC
GTBL	231-6-991-450	Commercial Banking Western Union	Private/Foreign: 99% Local: 1%

The industry's capital adequacy ratio (CAR) continued to be in excess of the minimum required ratio of 8.0 percent at end of the fourth quarter, 2008. The CAR recorded for the industry during the quarter was 22.0 percent, 1.3 percentage points below the level recorded for the third quarter of the year. All of the banks, except one, were in excess of the minimum requirement for the CAR. The required minimum net worth for each bank has been increased to US\$6.0 million. The ratio of non-performing loans to total loans increased to 17.4 percent, 3.4 percentage-points over the previous quarter. At end of the review quarter, the industry recorded a total revenue of L\$2,094.0 million and an operating profit of L\$739.0 million, both of

which are above the level recorded for the fourth quarter a year ago by 29.3 percent and 16.7 percent, respectively. The industry's liquidity position continued to be well in excess of the 15.0 percent minimum requirement at 52.1 percent.

Expansion of the industry continued during the period under review. The rise in banking activities is consistent with CBL's broader policy objectives of promoting access to banking services by a large segment of the population.

As an indication of increased public confidence, the sector experienced a 43.5 percent increase in deposits, from L\$9,298.0 million in 2007 to L\$13,341.8 million as at end-November, 2008. The US dollar denominated deposits accounted for L\$11,449.0 million (US\$181.0 million) of total deposit at end-November, 2008 while the Liberian component accounted for L\$1,892.0 million. - 14 -

The sector's liquidity ratio of 53.0 percent was far in excess of the 15.0 percent minimum required. The risk-averse nature of commercial banks and limited financial instruments are some of the factors responsible for the excess liquidity in the sector. This suggests the need to deepen the financial sector through, for example, the introduction of more money market instruments and the eventual development of a capital market, which would help strengthen demand for the Liberian dollar.

Non-performing loans (NPLs) as a ratio of total loans in the sector remained essentially the same at 19.0 percent. The continued high ratio is attributed largely to the growth in aggregate loan portfolio. In absolute terms, total NPLs as at end-November, 2008 was L\$1,206.0 million compared with L\$726.1 million as at end-December, 2007. This development flagged the problem of poor loan recovery in the banking sector. As a result of this, the CBL has been working to ensure an improved credit environment.

As part of its bank reform program, the CBL held consultative meetings with the Liberia Bankers Association during the year with the view to recommending to the Government the need to fast-track the establishment of a commercial court that would expeditiously enforce financial contracts, which will help curb the high non-performing loans in the banking sector and eventually lead to a change in the credit culture of some debtors. In furtherance of good

corporate governance, the CBL amended several regulations governing the operations of commercial banks based on results of both off-site and on-site inspections.

The banking sector is gradually modernizing its operations. During the year under review, automatic teller machines (ATMs), short message service (SMS), and internet banking were introduced by some of the banks. These financial innovations are outcomes of a healthy competitive environment being encouraged by the CBL.

Financial Indicators (%)

	2007	Nov 2008	Dec 2008
Net Capitalization	13	13	13
Capital Adequacy Ratio	23	20.8	22.0
Classified Loans to Total Loans	23	24	24
Non-performing Loans to Total Loans	19	19	17.4
Provision to Classified Loans Net of Interest-In-Suspense	71	65	65
Provision to Non-Performing Loans Net of Interest-In-Suspense	87	82	82
Return on Assets	0.2	-0.23	0.72
Return on Equity	1	-1.6	5.44
Non-Interest Income to Total Income	72	66	66
Net Interest Margin over Average Assets	9	6	6
Liquid Assets to Net Assets	56	56	56

Net Loans to Deposits	38	40	40
Liquidity Ratio	49.9	52.9	52.1

Financial Indicators (Millions L\$)

	2007	Nov 2008
Gross Assets	14,053.30	19,034.20
Net Assets	13,259.50	17,957.40
Net Loans	3,608.80	5,316.60
Deposits	9,439.00	13,345.70
Capital Net of Provision	1,680.70	2,311.30

Commercial Bank credit

The expansion of credit (inclusive of both US and Liberian dollars loans) by banks to various sectors of the economy continued during the year. Total credit at end-November, 2008 was L\$6,234.0 million — reflecting a 46.7 percent rise over the level recorded at end-December, 2007. The US dollar component of total credit increased by US\$27.7 million to US\$89.9 million at end-November, 2008, from US\$62.2 million at end-December, 2007. Also, total credit in Liberian dollars rose by L\$180.8 million to L\$545.5 million, from L\$364.7 million for the same period.

Of the total credit at end-November, 2008, Trade, Hotel & Restaurant accounted for 30.6 percent; Transportation, Storage and communication, 12.3 percent; Construction, 9.2 percent; Agriculture, 5.0 percent; Manufacturing 2.9 percent; and Mining & Quarrying, 0.4 percent

(Table 3). The “Others” category, which consists of lending to individuals and services-related entities, accounted for 39.6 percent. On the overall, there was an increase in credit to all sectors of the economy during 2008.

Commercial Bank Loan by economic sector (in Millions L\$)

	Dec 2007	% Share	Nov. 2008	% Share
Agriculture	207.3	4.9	310.8	5.1
Mining	0.0	0.0	25.3	0.4
Manufacturing	108.9	2.6	181.9	2.9
Construction	279.0	6.6	575.5	9.2
Trans. Storage & Comm.	218.4	5.1	764.3	12.3
Trade, Hotel & Rest.	915.8	21.5	1907.7	30.6
Other.	2521.4	59.3	2468.5	39.6
Total	4250.8	100.0	6234.0	100.0

Currencies as indicated in Millions	Oct 2008	Nov 2008	Dec 2008
Comm. Bank Loan to Private Sector US\$	86.7	88.9	88.1
Comm. Bank Loan to Private Sector L\$	518.6	545.5	519.2
Demand deposits of comm. banks			
Demand Deposit US\$	127.6	123.1	130.2
Demand Deposit L\$	713.6	737.0	775.9

Interest Rate

The average lending rate at end-November, 2008, declined slightly by 0.1 percentage points to 14.20 percent, from 14.30 percent at end December, 2007. This level can be largely explained by the risk profile, credit history of clients and the level of non-performing loans in the banking sector. Personal loan rate, on average, remained generally the same but with a marginal decline of 0.5 percentage points to 14.42 percent, from 14.90 percent a year ago. The interest rate on mortgage loan increased on average to 14.00 percent for the period, representing a 2.0 percentage point rise, from 12.00 percent recorded at end-December, 2008. Average time deposit rate fell by 0.6 percentage points to 3.70 percent, from 4.30 percent recorded for 2007 while average savings rate increased negligibly by 0.01 percentage points to 2.11 percent, from 2.10 percent at end of the previous year. The large lending-savings rate spread shows how shallow and underdeveloped the financial system is; which calls for efforts that should be tailored at deepening the financial system through the modernization of the money market and eventual development of a capital market. The average rate on certificate of deposits (CDs) remained unchanged at 3.0 percent on a year-on-year basis.

Rate	2006	2007	2008
Avg Lending Rate	15.20	14.30	14.30
Avg Personal Loan Rate	13.00	14.90	14.42
Avg Mortgage Rate	12.00	12.00	14.00
Avg Time Deposit Rate	4.90	4.30	4.10
Avg Savings Rate	3.00	2.10	2.12
Avg Rate on CDs	0.00	3.00	3.00

III. Insurance Sector

Although there is an insurance sector, we were unable to gather information about the industry in Liberia.

IV. Central bank and its role in the economy

The Central Bank of Liberia (CBL)'s official website lists "maintaining the value of the domestic currency and external reserves", and less importantly, "pursuing appropriate interest and exchange rate policies" as two of its 7 main objectives¹. Its 2008 annual report likewise states that its primary objective is to maintain domestic price stability through maintaining exchange rate stability (p.2). Exchange rate is the main variable the Bank can effectively target because of the highly dollarized nature of the Liberia economy. Since most consumable goods are imported through the US dollar and the US dollar is a legal domestic tender, prices of all goods and services are tied to the US dollar through the exchange rate. For example, a bag of rice imported at 21USD will sell domestically for L\$1,050 versus L\$1,197 if the exchange rate is at L\$50 versus L\$57 to the dollar. The Bank thus tries to preserve the purchasing power of the national currency, through adjusting domestic money supply vis-a-vis the foreign exchange market (via foreign exchange auctions) in the dual currency economy.

It should be noted that the amount of foreign reserve under the CBL is a key determinant of the exchange rate and only reached 'adequate', though still low, levels recently given large amounts of foreign aid. The IMF also reached agreement with the Bank to accelerate its effort to assess sources of supply and demand for US dollar to better inform its policy and improves its foreign exchange auctions. As results, key monetary mechanisms include a system of liquidity monitoring, a forward-looking reserve requirement system, and a credit facility for commercial banks.

Interest Rate. As a secondary tool, the CBL pursues 'prudent' and market-driven interest rate policy to mobilize savings and optimize their allocation. It appears that the CBL has the formal authority to set interest rates. Yet it does not appear to be a heavy emphasis in practice, because of its reliance on exchange rate adjustment and the open capital flow system.

¹ http://www.cbl.org.lr/content_main.php?sub=mission

Banking Supervision. In addition to price stability, the CBL also plays a relatively hands-on banking supervisory role. It sets the minimum capital reserve requirement (US\$6 million in 2008), drafts banking regulations, and manages licenses, recently allowing 3 international banks to operate in Liberia. In 2008 it has also conducted on-site inspections, off-site reviews, as well as meetings with bank managers, boards, and principal shareholders. It furthermore works with banks on branch expansions to outside Monrovia.

As results, the IMF assesses that the banking sector has significantly strengthened this year with the adoption of a corporate governance framework, better capital adequacy ratio, and implementations of directives from the Compliance Committee.

Central Bank Governance. In terms of corporate governance for the Central Bank itself, the CBL is supervised by a Board of Governors who is appointed by the President of Liberia subject to confirmation by the Liberian Senate. Formally, it seems that the CBL has functional independence but needs to seek senate approval for money printing, though there have been disputes between the Bank and the government on this matter. In practice, it appears that the Bank acts in close collaboration with the government and executive branch, who is highly regarded.

The CBL improved its transparency and internal financial controls significantly in 2008, passing an audit assessment that it previously failed in and securing a confirmation that the data it submits to international partners is accurate. The IMF assesses that significant weaknesses still exist in various audit and control measures.

V. Government bond market

The CBL validated outstanding domestic debt in 2008, resulting in acceptance of \$300million out of claims of \$915million as valid claims. We have not determined the details and roots of

the rejected claims. Of the valid claims, the CBL held about \$268million. \$7million of these was re-capitalized in a government bond. There is no significant source of government bond.

It is estimated that a large portion of government debt results from borrowing from post-Sirleaf borrowings from international institution such as the IMF, World Bank as well as foreign governments in aid-based support. Arrears to World Bank, the African Development Bank and the IMF were cleared in 2007 and 2008. Donor countries and IMF pledged more than US\$850million to start the process of forgiving the country's \$4.5billion of legacy debt to the Paris Club.

Net current transfer, reflecting remittance and international aid, amounted to US\$291million in 2007, or about 30% of GDP and larger than all exports.

VI. Stock market

There is no stock market in Liberia.

VII. Other types of financial market

There is no bond or derivative market in Liberia.

VIII. Other types of finance

- Micro finance
- Informal finance
- Private equity and so forth

Microfinance and Informal Finance. Microfinance plays an important role in Liberia's economy. A wide range of providers offer microfinance services, including commercial banks, private microfinance institutions, NGOs, credit unions, rotating savings and credit institutions, and

other informal credit providers such as money changers. That said, access is limited. Most services are confined to Monrovia, and mostly provided by two NGOs, Local Enterprise Access Program (LEAP) and American Refugee Committee (ARC)/Liberty Finance. 2008 data shows that these two programs combined have no more than 15,000 active clients. CBL estimates that the demand for microfinance services in Liberia is about 138,000. The United Nations Capital Development Fund (UNCDF) in 2004 estimated demand to be around 62,000 households and at US\$13.7million³.

A 2005 UNCDF report assessed that ‘a lack of current government microfinance strategy’ was a major hurdle for the industry⁴. In 2008, the CBL completed the National Strategy for Financial Inclusion (2008-2012), which lay out the framework for developing the microfinance industry in the next 5 years. There is also a specific task force dedicated to related policy development.

The number of formal credit unions dropped from 65 before the war to 9 after the war. As the following table shows, credit unions only support less than 3,000 clients as of 2004.

Figure 1. Formal Credit Unions (As of March 2004)

MONTSERRADO & MARGIBI	MEMBERSHIP	SAVINGS
Port Authority Employees C. U. (PACU)	482	879,159
Monrovia Breweries Employees C. U. (MBI)	145	2,118,466
Telecommunication Employees C.U. (LTC)	97	494,815
Monrovia City Corporation C.U. (MCC)	115	174,530
Water & Sewer Employees C.U. (AQUA)	34	26,892
Harbel Community C.U. (HARCU)	925	5,136,434
Refinery Employees C. U. (RECU)	194	958,925
Roberts International Airport C.U. (ACU)	164	296,674
Forestry Development Authority C.U. (FDA)	438	1,160,336
TOTAL	2,758	11,246,233

Source: Microfinance Development in Liberia: An Initial Assessment, 2004.

² Central Bank of Liberia Annual Audit Report 2008, p. 19-22.

³ Tucker, J, 2004. “Microfinance Development in Liberia - An Initial Assessment”. UNCDF.

<http://www.microfinancegateway.org/content/article/detail/21579>

⁴ UNCDF, 2005: http://www.uncdf.org/english/microfinance/pubs/newsletter/pages/2005_09/update_liberia.php

There is scarce data on the size and number of providers in the informal finance sector. Qualitative analysis suggests that it is an important part of the existing finance system but is still vastly inadequate to meet demand. The type of informal lenders include “Susu” or rotating savings and credit associations (ROSCAs), moneylenders, and legal power of attorney arrangements for salaried workers. A 2004 report estimates that interest through these mechanisms amount to 20-25% per month.

Micro-credit lending institution is established

AccessBank Liberia, the country 1st first commercial micro-finance lending institution, has been established with the help of the International Finance Corporation (IFC), the financial arm of the World Bank. The new credit institution, which received its formal banking license that enabled it to start making loans in late January, has been in the planning stages for the last two years, with experts from the IFC working closely with the Central Bank of

Liberia, the World Bank and the IMF to develop an effective regulatory framework based on global best practice in microfinance. AccessBank received a preliminary banking license in July 2008, since when it has been recruiting and training staff, developing products appropriate for local needs, and ensuring that its operations will comply with Liberian law. AccessBank Liberia, The Microfinance Bank, licensed to provide not only loan but also deposit-taking services, through the mobilization of savings for low-income earners as well as other services, should begin operations in January of 2009. The licensing of The Microfinance Bank is a manifestation of CBL’s effort at creating a sustainable microfinance industry. It is well capitalized at US\$6.0.

Along with the European Investment Bank and the African Development Bank, the IFC is a major shareholder in the bank, which was established in partnership with a private company, Access Holdings, which has existing successful microfinance institutions in Madagascar and Tanzania. The bank is expected to boost the economy by lending to the smallest businesses, which would otherwise have no access to finance, and is an important part of broader efforts to strengthen and modernize the banking system.

Private Equity and Sources of Finance. There is little or no private equity investment directly into Liberian companies. A 2008 deal by Emerging Capital Partners (ECP) invested US\$20million in Cellcom, a mobile telecommunications company who will use the money to expand network and operations into Liberia, Guinea and Sierra Leone.

In 2007, RLJ & Companies and the Overseas Private Investments Corporation (OPIC) jointly established a US\$30million Liberia Enterprise Development Fund to support private enterprises and job creation. Other private equity and government-sponsored finance deals might have taken place, but their total is expected to be at this order of magnitude.

References:

<http://www.cbl.org.lr/>