



Liberia

Digital Financial Services in Liberia

2014

Facts and figures*

Mobile money during times of crisis

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In May 2014, the Central Bank of Liberia passed the new interoperable, inclusive Mobile Money Regulations. This was a year-long collaborative effort by the Central Bank of Liberia, GSMA, Mobile Money for the Poor (MM4P), banks, mobile network operators and non-governmental organizations to expand the digital financial services footprint in the country, ensuring financial access to all Liberians.

In line with MM4P objectives and encouraged by the dramatic shift in regulation, MM4P pursued its effort to ignite the digital financial services ecosystem. After the regulatory milestone, one of the programme's first activities was to support the Central Bank of Liberia in creating a working group to discuss opportunities within the market, and learn from and overcome the challenges faced by the ecosystem.

However, the Ebola crisis halted MM4P plans. On 31 July 2014, President Ellen Sirleaf declared

a three-month state of emergency due to the escalating Ebola crisis in Liberia. President Sirleaf also instituted a 'decongestion' strategy to curb the spread of Ebola, which meant that schools were closed, non-essential staff were to refrain from working and all public gatherings were stopped. As a result, two of MM4P's implementing partners discouraged activities in rural areas: Mercy Corps stopped most of its programmes and BRAC Liberia stopped all of its operations, placing a hurdle in the MM4P Liberia roll-out strategy.

As the world turned its attention to three countries most affected by Ebola, Guinea, Liberia and Sierra Leone, there was a renewed focus on the financial system used in each country to be able to pay Ebola response workers. The existing infrastructure painted a bleak picture in Liberia, as most of the financial system was concentrated in Montserrado County (see figure showing the Liberia financial infrastructure by county).

4.4 million

Total population

19%

Financial inclusion rate

US\$ 850

GDP per capita (PPP)

61%

Mobile phone penetration



Check out our website
www.uncdf.org/mm4p



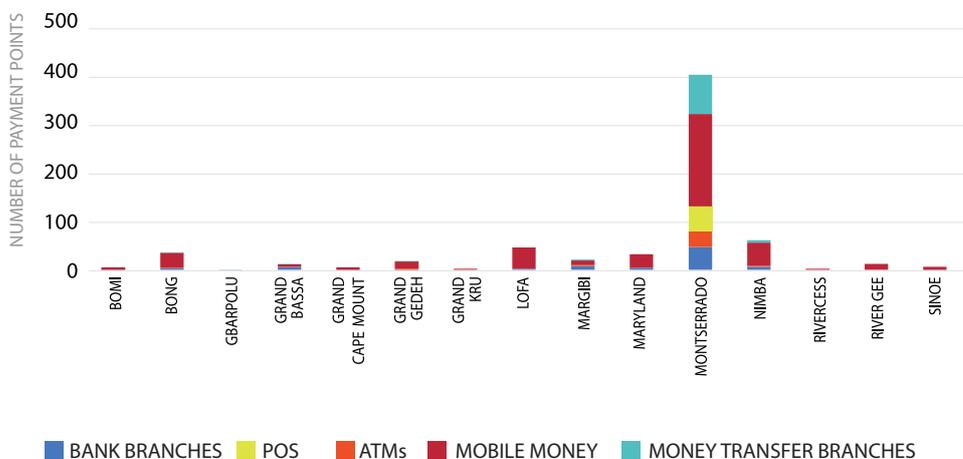
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LinkedIn group
MOBILE MONEY FOR THE POOR

*Sources: World Bank 2011, 2013 and 2014. GSMA 2014.

Liberia financial infrastructure



International non-governmental organizations and United Nations agencies soon realized that payments to Ebola response workers were imperative, and they needed to explore all payment mechanisms. It was for this reason that a workshop was conducted on the payments programme in Liberia. The United Nations Development Programme (UNDP) led the initiative and was strongly supported by the Ministry of Health and Social Welfare, MM4P, United Nations Mission for Ebola Emergency Response, banking institutions and Lonestar Cell MTN, the only mobile money operator in the country.

The workshop highlighted the need for the resurgence of MM4P to complement the efforts of UNDP.



The workshop stressed the aspects of the digital financial services ecosystem that needed to be developed:

- Agent management
- Product enhancements
- Liquidity management.

Lastly, as a result of the workshop, it was discovered that the International Committee of the Red Cross is using mobile money to pay grants to Ebola survivors who have suffered economically after contracting the virus. The grants are paid in three monthly instalments, and they can be cashed out at any mobile money agent. The programme is seen as a success due to the fact that survivors have a quick, easy payment solution at their fingertips.

Liberia: Ebola survivor receiving a grant from International Committee of the Red Cross, disbursed through mobile money.

Key stakeholders

Regulators



- Central Bank of Liberia
- Liberia Telecommunications Authority

Main banks

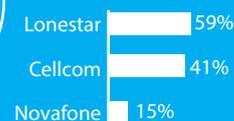


- BRAC
- Ecobank
- Liberian Bank for Development and Investment
- United Bank for Africa
- Guaranty Trust Bank

Mobile network operators



Market share



Digital financial service providers

- Lonestar Cell MTN



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