



LEGAL AND REGULATORY FRAMEWORK OF
ISLAMIC MICROFINANCE IN LIBERIA: LESSONS
FROM BANGLADESH AND INDONESIA

BY

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the degree of Doctor of Philosophy in Law

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ABSTRACT

The current legal and regulatory framework of microfinance in Liberia is structured on the conventional microfinance system, which offers interest-bearing loans and focuses mainly on women. This system does not satisfy the needs of the greater number of the poor in the country and Muslims in particular. This phenomenon inherently calls for a reform of the legal and regulatory framework of Islamic microfinance as a vibrant tool to alleviate poverty in the country. This research therefore aims to examine the possibility of introducing the Islamic microfinance system within the extant laws of Liberia, after evaluating the lessons learned from the legal and regulatory framework of the Islamic microfinance in Bangladesh and Indonesia. The research employed a qualitative research methodology and used an inductive method in data analysis. The data collected and analysed from Islamic and conventional sources. The Islamic sources include the Qur'ān, *Sunnah*, *Tafsīr*, commentaries of the *Sunnah*, books of Islamic jurisprudence, books on Islamic microfinance, journal articles, theses and conference proceedings. The conventional sources cover the constitutions of the three jurisdictions studied in this research and relevant statutes, law books, textbooks on microfinance, journal articles, newspapers and online materials on Liberia, Bangladesh and Indonesia. Findings of the research reveal that there is no legal and regulatory framework for Islamic microfinance in Liberia and that this has deprived Muslims who are particularly excluded from the conventional microfinance sector. The research has also found that Liberia has a lot to learn from the legal and regulatory framework of Islamic microfinance in Bangladesh and Indonesia respectively. Therefore, the research recommends setting up a body to regulate Islamic microfinance in Liberia in consultation with the Central Bank of Liberia (CBL) as well as setting up a *Shari'ah* Committee to ensure that the modes of Islamic microfinance institutions are truly *Shari'ah* compliant. The research further proposes the enactment of a special law for Islamic microfinance and establishing the *Shari'ah* Advisory Council for Islamic microfinance in Liberia. The research further suggests having diversified sources of funding like *zakāh* and *waqf* for Islamic microfinance institutions in Liberia. The findings conclude that the Islamic microfinance system is a viable alternative to the conventional microfinance system in the country, because it appeals to both Muslims and non-Muslims in Liberia. But, it requires a robust legal and regulatory framework to effectively operate in the country.

ملخص البحث

يتمحور الإطار القانوني والتنظيمي الحالي لتمويل المشاريع الصغيرة في ليبيريا حول النظام التقليدي لتمويل الأصغر، وتقديم القروض بالفوائد، والتركيز بشكل رئيسي على النساء. هذا النظام لا يلبي احتياجات أكبر عدد من الشرائح الفقيرة في البلاد، وخاصة المسلمين. وتدعو هذه الظاهرة بطبيعتها إلى إصلاح الإطار القانوني والتنظيمي لتمويل الأصغر الإسلامي كأداة حيوية للتخفيف من حدة الفقر في البلاد. لذلك، فإن هذا البحث يهدف إلى دراسة إمكانية إدخال نظام التمويل الأصغر الإسلامي ضمن القوانين القائمة في ليبيريا، وذلك بعد تقييم الدروس المستفادة من الإطار القانوني والتنظيمي لتمويل الأصغر الإسلامي في بنغلاديش واندونيسيا. وقد وظفت الدراسة منهجية البحث النوعي، واستخدمت المنهج الاستقرائي في تحليل البيانات التي تم جمعها وتحليلها من مصادر إسلامية وتقليدية. وشملت المصادر الإسلامية القرآن والسنة، والتفسير، وشروح السنة، وكتب الفقه الإسلامي، وكتب حول التمويل الأصغر الإسلامي، ومقالات علمية، وأطروحات ماجستير ودكتوراه، وكتب بحوث ومؤتمرات. بينما شملت المصادر التقليدية الدساتير الوطنية في السلطات القضائية الثلاث التي درست في هذا البحث، والتشريعات ذات الصلة، كتب قانون، وكتب دراسية عن التمويل الأصغر، ومقالات علمية، وصحف، والمواد الإلكترونية عن ليبيريا وبنغلاديش واندونيسيا. نتائج البحث كشفت أنه ليس هناك إطار قانوني وتنظيمي للتمويل الأصغر الإسلامي في ليبيريا وهو ما قد تسبب في حرمان المسلمين الذين هم، على وجه الخصوص، مقصيين من قطاع التمويل الأصغر التقليدي. البحث وجد أن ليبيريا لديها الكثير لتتعلمه من الدروس المستفادة من الأطر القانونية والتنظيمية في بنغلادش واندونيسيا. بالتالي، فقد أوصى البحث بتأسيس هيئة لتنظيم التمويل الأصغر الإسلامي في ليبيريا بالتشاور مع البنك المركزي الليبيري، فضلاً عن تشكيل لجنة شرعية لضمان أن أوضاع مؤسسات التمويل الأصغر الإسلامي مطابقة للشريعة الإسلامية بشكل كامل. اقترح البحث أيضاً سن قانون خاص بالتمويل الأصغر الإسلامي، وتأسيس مجلس استشاري للتمويل الأصغر الإسلامي في ليبيريا. واقترح البحث كذلك وجود مصادر متنوعة للتمويل الإسلامي، مثل الزكاة والوقف لمؤسسات التمويل الأصغر الإسلامي في ليبيريا. خلصت النتائج إلى أن نظام التمويل الأصغر الإسلامي يمكن أن يكون بديلاً قابلاً للتطبيق لنظام التمويل الأصغر التقليدي القائم في البلاد، لأنه يخاطب كلاً من المسلمين وغير المسلمين في ليبيريا، ولكن هذا يتطلب وجود إطار قانوني وتنظيمي قوي للعمل بفعالية في البلاد.

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This work is foremost dedicated to Allāh, after to my adorable parents, siblings, my adoring son Idris Ibrahim Fofana, daughter Hasanah Ibrahim Fofana and my lovely wife Salimata Fofana and to all the poor across the globe.

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Bank Indonesia Regulation Number 5/18/PBI/2003
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Banking Act of 1992 (as amended by Act No. 10 of 1998), Indonesia
Banking Companies Ordinance, 1962 (Amended in 1991), Bangladesh
Burgerlijk Wetboek, Indonesia
Central Bank Act Number 23/1999, Indonesia
Central Bank Act of 1999, Liberia
Companies Act, 1913 (Amended in 1994), Bangladesh
Constitution of the 1839 or Constitution of the Commonwealth of Liberia (1839)
Constitution of the People's Republic of Bangladesh
Constitution of the Republic of Liberia (1986)
Cooperative Law No. 12, 1967, Indonesia
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The Societies Registration Act, 1860, Bangladesh
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The Voluntary Social Welfare Agencies (Registration and Control) Ordinance 1961, Bangladesh
The Waqf Ordinance 1962, Bangladesh
Trustee Act 1949 (Revised 1978), Malaysia

The Trustee Incorporation Act 258 (revised 1981), Bangladesh
Undang-Undang Republik Indonesia Nomor 1 Tahun 2013

LIST OF ABBREVIATIONS

AAOIFI	Accounting and Auditing Organization for Islamic Financial Institutions
ABLL	AccessBank Liberia Limited
ACDI	Agricultural Cooperative Development International
ACS	American Colonisation Society
AfDB	African Development Bank Group
AGM	Annual General Meeting
AIM	Amanah Ikhtiar Malaysia
APIF	<i>Awqāf</i> Properties Investment Fund
ARC	American Refugee Committee
ASA	Association for Social Advancement
ASA	Association for Social Development
ASCrAs	Accumulated Savings and Credit Association
ATK	<i>Asuransi Takaful Keluarga</i>
Bank MFIs	Bank Microfinance Institutions
BAZNAS	Baitul Qiradh of Badan Amil Zakat Nasional
BI	Bank Indonesia
BIMAS	<i>Bimbingan Massal</i>
BKD	<i>Banda Kredit Desa</i>
BLMCL	BRAC Liberia's Microfinance Company Limited
BMMI	Baitul Maal Muamalat Indonesia
BMT	<i>Baitul Maal Wat Tamwil</i>
BPR	<i>Bank Perkreditan Rakyat</i>
BPRS	<i>Bank Pembiayaan Rakyat Syariah</i>
BRAC	Bangladesh Rural Advancement Committee
BRAC	Bangladesh Rural Advancement Committee
BRAC	Building Resources Across Companies
BRDB	Bangladesh Rural Development Board
BRI	<i>Bank Rakyat Indonesia</i>
BURO	Bangladesh Unemployment Rehabilitation Organization
BWI	Badan Wakaf Indonesia
CAC	Constitutional Advisory Committee
CBL	Central Bank of Liberia
CDA	Cooperative Development Agency
CDF	Credit and Development Forum
CGAP	Consultative Group to Assist the Poor
DPR	<i>Dewan Perwakilan Rakyat</i>
DPR	<i>Dewan Perwakilan Rakyat</i>
DPRD	<i>Dewan Perwakilan Rakyat Daerah Provinsi</i>
FEMEPs	Family Empowerment Micro Enterprise Programmes
FINCA	Foundation for International Community Assistance
GB	Grameen Bank
GDP	Gross Domestic Products
HIV	The Human Immunodeficiency Virus
HMFP	Hodeibah Microfinance programme

IBBL	Islami Bank Bangladesh Limited
IBBL	Islami Bank Bangladesh Limited
IBS	Infrastructure and Basic Services
IDB	Islamic Development Bank
IFC	International Finance Corporation
IFSB	Islamic Financial Services Board
IIBF	IIUM Institute of Islamic Banking and Finance
IMA	<i>Indonesische Aandelen op Maatschappij</i>
IMFI	Islamic microfinance Institution
INCEIF	International Centre for Education in Islamic Finance
ISFD	Islamic Solidarity Fund for Development
ISRA	International <i>Shari'ah</i> Research Academy for Islamic Finance
KYC	Know Your Customer
LBDI	Liberian Bank for Development and Investment
LCUNA	Credit Union National Association
LDKPs	Lembaga Dana Kredit Pedesaan
LEAD	Liberia Entrepreneurial and Asset Development
LEAP	Local Enterprise Assistance Programme
MARA	According to Microcredit Regulatory Authority
ME	Micro-entrepreneur
MFI	Microfinance institutions
MPR	<i>Majelis Permusyawaratan Rakyat</i>
MPRSFL	Microfinance Policy and Regulatory and Supervisory Framework for Liberia
MRA	Microcredit Regulatory Authority
MRARs	Microcredit Regulatory Authority Rules
MRRU	Microfinance Research and Reference Unit
MRRUL	Islamic Microfinance Regulatory and Reform Unit for Liberia
<i>MT Sakinah</i>	<i>Micro Takaful Sakinah</i>
NCC	National Constitution Committee
NGO-MFIs	Non-Governmental organisation microfinance institutions
NGO	Non-Governmental Organisation
NGOs	Non-Governmental Organisations
NGOAB	Non-governmental Organization Affairs Bureau
Non-Bank MFIs	Non-Bank Microfinance Institutions
NSC	National Steering Committee
PBUH	Peace be up him
PKSF	<i>Palti Karma-Sahayak Foundation</i>
PPP	Public Private Partnerships
PRC	People's Redemption Council
PRS	Poverty Reduction Strategy
RAIMFL	Regulatory Authority for Islamic Microfinance in Liberia
RDS	Rural Development Scheme
ROSCAs	Rotating Savings and Credit Associations
SCAIMFIL	<i>Shari'ah</i> Council for Microfinance Sector in Liberia
SGF	<i>Shari'ah</i> Governance Framework
SHGs	Self-help groups
SIB	Sudanese Islamic Bank
SIBL	Social Investment Bank Limited/Social Islami Bank Limite

SMEPs	Small and Medium-Sized Enterprises Programmes
SMEs	Small-Medium Enterprises
SPV	Special Purpose Vehicle
SSS	Society for Social Service
TMSS	<i>Thengamara Mohila Sabuj Sangha</i>
UAE	United Arab Emirates
UD	<i>Unit Desa</i>
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women
USAID	United States Agency for International Development
VSLAs	Village, Savings and Loans Associations
WOCCU	World Council of Credit Unions

TABLE OF TRANSLITERATION

Before using this Table, you must first install the AHT Times New Arabic fonts.

Table of the system of transliteration of Arabic words and names
used by the International Islamic University Malaysia.

b	=	ب	z	=	ز	f	=	ف
t	=	ت	s	=	س	q	=	ق
th	=	ث	sh	=	ش	k	=	ك
j	=	ج	ṣ	=	ص	l	=	ل
ḥ	=	ح	ḍ	=	ض	m	=	م
kh	=	خ	ṭ	=	ط	n	=	ن
d	=	د	ẓ	=	ظ	h	=	ه
dh	=	ذ	‘	=	ع	w	=	و
r	=	ر	gh	=	غ	y	=	ي

Short: a = اَ ; i = اِ ; u = اُ

Long: ā = آ ; ī = إ ; ū = و

Diphthong: ay = آي ; aw = او

CHAPTER ONE

GENERAL INTRODUCTION

1.1 INTRODUCTION

Liberia is one of the oldest African countries. In fact, it is believed that it is the only African country that was not colonised.¹ It was founded in 1821 as a geopolitical entity and declared its independence on July 26 1847.² Liberia is a secular state according to the Constitution of the Republic of Liberia 1986.³ It is located on the West Coast of Africa, with a total land area of 43, 000 square miles.⁴ There are two main seasons in Liberia, namely, the rainy and the dry seasons. The former normally starts from mid-April to late October, while the latter begins in mid-November and ends in mid-April. Liberia is bounded by Ivory Coast on the East, Sierra Leone on the West, Guinea on the North and by the Atlantic Ocean on the South.⁵

¹ Robert Allen Sedler, "Law Reform in the Emerging Nations of Sub-Saharan Africa: Social Change and the Development of the Modern Legal System," *Louis ULJ* 13 (1968): 200.

² Samuel Wai Johnson, "Microfinance in Post-Conflict Liberia: Implications and Challenges," *Cover Page Was Compiled by Dr. William B. Kory, with Cartography Work by Joe Sernall*, 2012, 47; Charles H Wesley, "The Struggle for the Recognition of Haiti and Liberia as Independent Republics," *The Journal of Negro History* 2, no. 4 (1917): 377.

³ The Constitution mandates that: "All persons shall be entitled to freedom of thought, conscience and religion and no person shall be hindered in the enjoyment thereof except as may be required by law to protect public safety, order, health, or morals or the fundamental rights and freedoms of others. All persons who, in the practice of their religion, conduct themselves peaceably, not obstructing others and conforming to the standards set out herein, shall be entitled to the protection of the law. No religious denomination or sect shall have any exclusive privilege or preference over any other, but all shall be treated alike; and no religious tests shall be required for any civil or military office or for the exercise of any civil right. Consistent with the principle of separation of religion and state, the Republic shall establish no state religion." See Chapter 3, Article 14 "Constitution of the Republic of Liberia," 6 *January 1986*, accessed June 11, 2016, <http://www.unhcr.org/refworld/docid/3ae6b6030.html> [accessed 12 July 2010].

⁴ Johnson, "Microfinance in Post-Conflict Liberia: Implications and Challenges," 47.

⁵ Giorgio V Brandolini and Mohammad Tigani, "Liberia Environmental Profile," *Financed by European Commission and Presented by Agreco GEIE*, 2006, 11.

The country is endowed with abundant natural resources, such as, iron, rubber, diamonds, timber, gold, palm kernel and coffee.⁶ It has a population of approximately 3.5 million inhabitants,⁷ comprising of 20 percent Muslims, 40 percent Christians and 40 percent constitute the traditional believers. The population comprises of sixteen major tribal groups which include Bassa, Belle, Gio, Dei, Gbandi, Gola, Grebo, Kissi, Kpelle, Krahn, Kru, Loma, Mandingo, Mano or Ma, Mende, and Vai.⁸ These tribal groups are indigenous to Liberia and represent 95 percent of the population. The remaining 5% of the population represents the Americo-Liberians and the Congo People (i.e. the freed slaves from the Caribbean).⁹

Meanwhile, Liberia could have been one of the African economic and political giant, if not the instability occasioned by the 14 years civil war, which broke out in 1989 and ended in 2003. The civil war crippled the infrastructural development, social order, economic growth, political, health and educational systems of the country.¹⁰ In fact, the country's Gross Domestic Products (GDP) declined by 90%. In the same vein, the GDP per capita in 2006 reduced at a quarter of what it was twenty years earlier.¹¹ In other words, the country's GDP declined from USD1.24 billion to USD190 million during the civil war.¹² However, the GDP grew smoothly in 2013 at

⁶ Nicolas Cook, "Liberia's Post-War Development: Key Issues and US Assistance" (DTIC Document, 2010), 6; Brandolini and Tigani, "Liberia Environmental Profile," 12.

⁷ Liberia Institute of Statistics and Geo-Information Services (Monrothrough), *Liberia Demographic and Health Survey 2013* (Liberia Institute of Statistics and Geo-Information Services, 2014), 1.

⁸ James S Guseh, "Liberia: A Country in Search of Identity and Unity," *Liberian Studies Journal* 22, no. 1 (1997): 43; Brandolini and Tigani, "Liberia Environmental Profile," 30. In other source, the population has grown up to 3.7 million. See Beth Porter, "National Strategies: Where Do They Get Us? A Roadmap for Financial Inclusion," in *United Nations Capital Development Fund, New York. Http://www. globalmicrocreditsummit2011. org/userfiles/file/Workshop% 20Papers/B_*, vol. 20, 2011, 27.

⁹ Ibid.

¹⁰ Johnson, "Microfinance in Post-Conflict Liberia: Implications and Challenges," 48-49.

¹¹ Ibid., 48.

¹² However, the GDP has grown smoothly in 2013 at 8.7%, with a growth of 0.5% in 2014. See Anthony Paul Andrews, "Exports, Imports, and Economic Growth in Liberia: Evidence from Causality and Cointegration Analysis," *Journal of Management Policy and Practice* 16, no. 3 (2015): 97 & 101.

8.7%, with a growth of 0.5% in 2014.¹³ Whereas, the total exports declined from USD486 million in 1978 to USD10.3 million in 2004.¹⁴

The history of Liberia cannot be discussed without giving little clue about its constitutional development which is characterised into four different phases of developments. The first constitutional development took place in the year 1820.¹⁵ The “1820 Constitution” was enacted based on the pact between the adult repatriated and the American Colonisation Society (ACS). This resulted in the codification of the different rules and regulations based on the American legal system.¹⁶ The pact stipulated that, all the repatriated slaves shall be governed by the ACS’s rules¹⁷ and while the community shall be administered by the ACS’s agents.¹⁸

Consequently, the next the 1839 Constitution which is also known as the “Constitution of the Commonwealth of Liberia”¹⁹ focused mainly on the structures of the Liberian government and their powers, namely: the legislative, the executive and the judicial organs. The Constitution vested the legislative powers in a governor and council of Liberia. However, all enacted laws are revocable by the ACS.²⁰ In other words, the executive powers are vested in the Governor of Liberia who was appointed by the ACS.²¹ While the judicial powers were vested in the

¹³ Ibid., 101.

¹⁴ Brandolini and Tigani, “Liberia Environmental Profile,” 31. Before the war, exports were the backbone for the Liberian economy, from the years 1979 to 1990. See Andrews, “eExports, Imports, and Economic Growth in Liberia: Evidence from Causality and Cointegration Analysis,” 101.

¹⁵ “The Liberian Constitutions,” accessed January 1, 2016, http://www.onliberia.org/con_index.htm.

¹⁶ “The Liberian Constitutions of 1820,”

¹⁷ Article 2 of “The Liberian Constitutions of 1820.”

¹⁸ Articles 3 and 4 of “The Liberian Constitutions of 1820.”

¹⁹ “Constitution of the 1839,” known as “The Constitution of the Commonwealth of Liberia.”

²⁰ Article 2 “The Constitution of the Commonwealth of Liberia,” accessed January 3, 2016, <http://www.tlcafrica.com/constitution-1839.htm>.

²¹ Article 10 of “The Constitution of the Commonwealth of Liberia.”

Supreme Court and the Interior Courts that were formed by the Governor and the Council.²²

Meanwhile, the 1847 Constitution is considered as the first Constitution under Liberia. In other words, the first step in the constitutional development of Liberia took place on July 26 1847, when the country was declared as a sovereign, free state and named as the “Republic of Liberia.” This was due to the decision taken by the Liberian Commonwealth to standardise its status in accordance with modern international law. After the declaration of the independence, the Constitution was then approved through referendum by the voters of the Commonwealth on September 27, 1847.²³ Under this Constitution, the legislative power was vested in a Legislature of Liberia, which comprised of Representatives and Senators.²⁴ The executive power is vested in a President of the country. The President shall serve for one term of eight years only²⁵ while the Judicial power shall be vested in the Supreme Court and might establish subordinate courts as the Legislature from time to time.²⁶ The Chief Justice of the country shall then be one person and four Associate Justices.²⁷ In other words, the number of justices for the Supreme Court of Liberia shall be five justices.

The last is 1984 Constitution called the Constitution of the Republic of Liberia. This constitution emerged after the suspension of 1847 Constitution by the People’s Redemption Council (PRC),²⁸ through the works of a committee called “National Constitution Committee (NCC)”. The Committee drafted the new Constitution in 1984, approved through national referendum and submitted to the

²² Article 15 of “The Constitution of the Commonwealth of Liberia.”

²³ “Liberian Constitution of 1847 (as Amended through May, 1955),” accessed January 1, 2016, http://www.onliberia.org/con_1847.htm.

²⁴ Article 2, Section 1 of “Liberian Constitution of 1847 (as Amended through May, 1955).”

²⁵ Article 3, Section 1 of “Liberian Constitution of 1847 (as Amended through May, 1955).”

²⁶ Article 4, Section 1 of “Liberian Constitution of 1847 (as Amended through May, 1955).”

²⁷ Article 4, Section 3 of “Liberian Constitution of 1847 (as Amended through May, 1955).”

²⁸ Patrick L N Seyon, “Liberia’s Search for Resolution to the Governance Puzzle,” *Liberian Studies Journal* 25, no. 2 (2000): 6.

PRC. After that, the PRC formed another committee known as the Constitutional Advisory Committee (CAC) to review the Constitution. At the end, the Constitution was approved by 78.3 percent through a national referendum in 1984. The operation of the Constitution began in 1986 and it was named as the “Constitution of the Republic of Liberia 1986.”²⁹

It can be inferred from the above discussion that, Liberia passed through four constitutional stages. The first two were 1820 Constitution and 1839 Constitution known as “Constitution of the Commonwealth of Liberia.” The last two were the 1847 Constitution named as “Liberian Constitution of 1847 (as amended through May, 1955)” and the 1984 Constitution, known as “Constitution of the Republic of Liberia 1986” which came into force in 1986. However, among the four constitutions, there were only two which were enacted under Liberia; namely, “Liberian Constitution of 1847 (as amended through May, 1955)” and “Constitution of the Republic of Liberia 1986.” Therefore, the name of Liberia was mentioned in the two names of the two constitutions.

With respect to the legal and regulatory framework of microfinance in Liberia, the Constitution of Liberia 1986 guarantees freedom of religion and economic well-being of its people including economic empowerment of the poor through the provision of microfinance services to them.³⁰ There is also the “New Financial Institutions Act of 1999.” This Act confers on the Central Bank of Liberia (CBL), the

²⁹ With regard to the revision of the 1986 Constitution, it went through some major revisions. Among the major revisions that were made include the removal of the provisions related to the judicial service, ombudsman and the entrenchment or banning the military personnel from interfering in partisan politics. The revision also extended the presidential term to two sequential six year terms. By virtue of this, the Constitution recognizes the dual legal systems in Liberia, namely, the Statutory Law and the Customary Law. The Constitution articulates that “The Court shall apply both statutory and customary laws in accordance with the standards enacted by the Legislature.” See Chapter 12, Article 93 and Chapter 7, Article 65 of “Constitution of the Republic of Liberia,” Hanatu Kabbah, “A Guide to the Liberian Legal System and Legal Research,” accessed December 7, 2015, <http://www.nyulawglobal.org/globalex/Liberia.html>.

³⁰ Chapter 3, Article 14 of “Constitution of the Republic of Liberia.”

powers to regulate and supervise all financial institutions in the country including microfinance institutions.³¹ Until date, there is still no specific enactment on microfinancing. However, it is mainly supervised and regulated by the CBL based on the “Central Bank Act of 1999.” There is also “Microfinance Policy and Regulatory and Supervisory Framework for Liberia (MPRSFL)” which is used as a guide for microfinance activities under the supervision of the CBL.³² Based on the aforesaid, it can be concluded that, there are three main regulatory organs for the microfinance sector in Liberia. These include the Central Bank Act of 1999, the New Financial Institutions Act of 1999 and MPRSFL.

Meanwhile, microfinance outreach in Liberia is still in its emerging stage as the country is recovering from its post-war economic downfall. There are efforts being made to improve microfinance development by microfinance stakeholders.³³ These stakeholders include the Government of Liberia, the United Nations Development Programme (UNDP), the African Development Bank Group (AfDB), the United Nations Development Fund for Women (UNIFEM), the United Nations Capital Development Fund (UNCDF) and the CBL.³⁴ Notwithstanding, the microfinance

³¹ Part 1 of the “Prudential Regulations for Micro-Finance Deposit-Taking Institutions, Regulation No. CBL/RSD/004/2012,” 2012, <https://cbl.org.lr/doc/MDIregrev.pdf>; Sections 2.4.1.3 and 2.5.2 (ii) of “Microfinance Policy and Regulatory & Supervisory Framework For Liberia” (Central Bank of Liberia, 2009), <http://www.cbl.org.lr/doc/lrf/MICROFINANCEMERGEDDOCS.pdf>.

³² Part 2, Section 3, Section 3 (2) (d), Section 4 (6) and Part 4, Section 10(1) of “The Central Bank of Liberia Act of 1999,” accessed June 14, 2016, https://cbl.org.lr/doc/cbl_act_1.pdf; Part 2, Section 3(1) of “The New Financial Institutions Act of 1999,” accessed June 14, 2016, https://cbl.org.lr/doc/new_financial_instnewfininsactititution_act_1999.pdf; “Microfinance Policy and Regulatory & Supervisory Framework For Liberia.” “AccessBank Liberia 2013 Annual Report ,” 6., accessed May 25, 2016, http://accessholding.com/export/sites/accessholding.com/PDF_Resources/ABL_Annual_Report_2013.pdf.

³³ P Gondo, “A Review of Forest Financing in Africa,” *Southern Alliance for Indigenous Resources (SAFIRE), Zimbabwe*, 2012, 36; “Property Rights And Artisanal Diamond Development (PRADD) The Feasibility Of Microfinance For Artisanal Diamond Miners,” 28., accessed May 25, 2016, http://www.usaidlandtenure.net/sites/default/files/USAID_Land_Tenure_PRADD_Microfinance_Report_0.pdf.

³⁴ “Impacting West Africa: Transforming People’s Lives in Liberia through Microfinance,” , 2., accessed May 3, 2016, <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and->