

INTERNATIONAL MONETARY FUND

Monetary and Financial Systems Department

**LIBERIA**

December 14, 2005

**FINAL TERMS OF REFERENCE REGARDING  
THE CHIEF ADMINISTRATOR OF THE CENTRAL BANK OF LIBERIA**

**Background**

1. The National Transitional Government of Liberia (NTGL) and its international partners have concluded that there should be a more robust approach to economic governance in Liberia, with immediate and firm remedial efforts. To this end, a Governance and Economic Management Assistance Program (GEMAP) has been developed jointly between the NTGL and its international partners, including the International Monetary Fund (the Fund), to assist the Government of Liberia to improve economic governance and financial management.
2. One component of the GEMAP is the creation at the Central Bank of Liberia (CBL) of a new position for a Chief Administrator to serve under the guidance of the Executive Governor, with binding co-signature authority for operational and financial matters with special emphasis on banking operations and ensuring that internal controls and audits are carried out according to established principles.
3. In accordance with Annex II of the GEMAP, on September 2, 2005, the Board of Governors of the CBL (the Board) resolved that the Fund be requested to identify a suitable international expert (the Expert) for the position of Chief Administrator to serve under the guidance of the Executive Governor of the CBL. The Expert and the terms of reference are subject to approval of the Board.

**General responsibilities of Chief Administrator**

4. Under the guidance of the Executive Governor, the main duties and responsibilities of the Chief Administrator will be to serve in strengthening:
  - (i) appropriate and independent conduct of sound monetary policy;
  - (ii) sound and efficient central bank operations;
  - (iii) strong, independent, and appropriate supervision and regulation of Liberian banking institutions;

- (iv) continued smooth and regular communication between the CBL and the Government of Liberia; and
  - (v) the complete independence of the CBL.
5. Moreover, the Chief Administrator will have co-signing authority with the Executive Governor for operational and financial matters with special emphasis on banking operations and ensuring internal controls and audits are carried out according to established principles.
6. The Chief Administrator will be a voting member of CBL internal policy committees, such as the Money Management Committee, the Banking Supervision Committee and the Executive Committee (to be established). The Chief Administrator will also participate in meetings of the Board and in the Executive Governor's formal meetings with Government officials. Notwithstanding the foregoing, the Chief Administrator may elect not to participate in any meeting or portion of a meeting that involves political matters beyond the scope of his or her responsibility.
7. The Chief Administrator will be accountable to the Executive Governor.

#### **Term of arrangement; removal and replacement**

8. The Expert will be selected by the Fund, subject to the approval of the Board, and will be contracted by the Fund to take up the position of Chief Administrator. The initial term of the contract will be for six months. The Expert's appointment as Chief Administrator will become effective upon the Expert's arrival in Monrovia, Liberia.
9. The contract may be renewed for an additional six months based on an assessment made jointly by the Fund and the Board no later than the end of the fourth month of the initial term. After the six-month renewal, if any, the contract may be renewed by agreement of the Board and the Fund.
10. The Fund may terminate, at any time, the appointment of the Expert on its own initiative or at the request of the Board. In any circumstance requiring the appointment of a replacement for the Expert, such appointment will be subject to selection by the Fund and approval by the Board.

#### **Reporting**

11. The Chief Administrator will report directly to the Executive Governor and will not be an officer or employee of the Fund.
12. In consultation and agreement with the Executive Governor, the Chief Administrator will work out a detailed work plan with a timeline and will report quarterly on the progress made in attaining the objectives in the work plan. The Chief Administrator will discuss his quarterly reports with the Executive Governor and send copies of the reports to the Mission Chiefs for Liberia in AFR and MFD.

13. In order to ensure coherent technical and policy co-ordination, the Chief Administrator will be required to report to and work closely with the GEMAP Technical Team as well as the Economic Governance Steering Committee (EGSC).

### **Privileges and immunities and security**

14. As a condition for assigning the Expert to the CBL, the Fund will need the assurance of the Liberian authorities that the Expert will be granted the same privileges and immunities, for the duration of the Expert's appointment, that a Fund resident representative would have.

15. The Fund will confirm that the United Nations Missions in Liberia (UNMIL) will provide continued security at the CBL (both main building and training center). The Fund will arrange with UNMIL or otherwise security for the residence and all local transportation of the Expert. The Expert will have access to UNMIL health services.

### **Facilities and allowances**

16. The CBL will provide the Chief Administrator with an appropriate office on the premises of the CBL, with necessary furnishings, supplies, computer(s) with adequate software, internet access, and communications equipment. The CBL will also provide the Chief Administrator with a secretary and with such other staff as the Chief Administrator and the Executive Governor may mutually agree upon.

17. The Fund will provide the Expert with a housing allowance and a transportation allowance to cover the costs of a dedicated car and driver. The CBL will assist with arrangements for both housing and transportation.

### **Miscellaneous**

18. The Expert's letter of appointment will include the obligation to exercise the utmost discretion regarding all matters of official business, both during and after this appointment, and to not use for private advantage or disclose confidential information known by reason of this appointment, except with the approval of the Executive Governor or the Fund, whichever was the source of the confidential information.