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Powering Economic and Social Development through Expanded Access to Modern Energy Services

NOTES FROM THE FIELD

Monrovia Lights Up: A First Step in Liberia's Stabilization

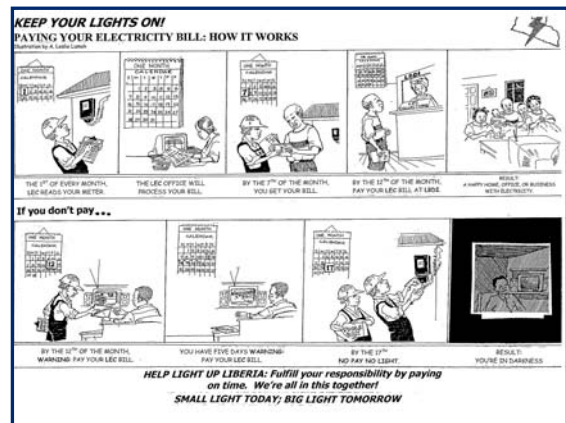
Upon Liberian President Johnson Sirleaf's inauguration in January last year, electricity services in that country were virtually non-existent. After 14 years of devastating civil war, the entire power grid was broken. Except for diesel generators owned by a handful of individuals, all power supplies were gone. The Liberia Electricity Corporation (LEC) was moribund – no infrastructure, no customers. Liberia was in darkness, literally and figuratively.

Consequently, the President promised on taking office that she would launch an emergency power program in Monrovia to provide electricity to parts of that city. She set her own deadline of 150 days.

The unique coalition of international donors that she turned to for funding and implementation - including the US Government, the European Commission, and the Government of Ghana –were able in four months to bring grid-delivered electricity to neighborhoods, hospitals and other public buildings for the first time in more than a decade. With the active participation of the Government of Liberia and LEC, they imported generators, rebuilt distribution networks, installed new streetlights and began commercial service. The US Government, working through the US Agency for International Development, provided funding for the initial fuel supply for the first several months of operation as well as technical and financial support to LEC to re-commercialize, i.e. to start metering, billing and collecting from customers again, so that the utility's operations were partially self-financed.

On July 26, as promised, President Johnson Sirleaf pressed a ceremonial button and turned on power in parts of Monrovia. Electric lights shone again on a major Monrovia thoroughfare, Tubman Avenue.

"The switching on of these lights today symbolizes our journey from darkness to illumination," the President told assembled dignitaries and residents,



including US Charge D'Affaires Lou Mazel and USAID Mission Director Wilbur Thomas.

"Small light today, big light tomorrow," she said.

The Emergency Power Program was designed to restore electricity to selected parts of Monrovia while rebuilding LEC's operations in a financially and operationally sound manner that can serve as a sustainable model for providing future services throughout Liberia. The commercialization goal was very specific: to make LEC self-sufficient, i.e. revenue collected each month would be sufficient

to pay for that month's fuel, plus Operations and Maintenance. The electricity tariff has been set at a level to cover operating costs, including streetlights. Since it is operating on a cost-recovery basis, all customers are required to pre-pay a month's estimated electricity usage in advance, and delinquent customers are disconnected.

By the end of 2006, LEC was serving about 300 customers, mostly small businesses and institutions like hospitals and schools. And LEC has achieved operational self-sufficiency.

A second phase of the EPP, with an additional donor – the Government of Norway – will expand generation and LEC's customer base five-fold in the next 18 months and extend street lights all the way from Bushrod Island through downtown to Paynesville. At completion, 70% of Monrovia's population will have electricity service in their neighborhood. A second complementary USAID project kicked off in November, and is focusing on pilot projects for delivery of electricity to urban and rural poor, in addition to legal, policy and investment promotion assistance.

"Energy is fundamental to creating economic growth opportunities in post-conflict societies and both stabilizing and delivering obvious benefits to the population. A self-sustaining electricity supply is critical to Liberia's future. EPP is a significant first step," said Mission Director Wilbur Thomas.

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Lessons Learned

Electrification can be a cornerstone of early post-conflict stabilization. Affordable, accessible energy is a natural building block of any economic reconstruction. More importantly, a visible demonstration to the average citizen that a government is functioning.

Capacity development is more important than technical development. Establishing LEC's ability to operate their business is making the expansion of power possible in Monrovia, not the other way around.

Commercialize early and often: It is a convincing argument to the international financial community that further investment in Liberia's energy sector has an acceptable risk/return ratio.

Top-level government support is critical: Re-electrification is a priority for President Sirleaf Johnson who has repeatedly demanded that her ministers and other government members support it.



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