



STRATEGIC PLAN

2023 – 2027

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Acronyms and Abbreviations

AERI	-	Africa Electricity Regulatory Index
AfDB	-	Africa Development Bank
BoC	-	Board of Commissioners
CSOs	-	Civil Society Organizations
EIB	-	European Investment Bank
ELL	-	Electricity Law of Liberia
ESI	-	Electricity Supply Industry
GoL	-	Government of Liberia
HR	-	Human Resource
ICT	-	Information and Communication Technology
IT	-	Information Technology
IPP	-	Independent Power Producer
JEP	-	Jungle Energy Power
LEC	-	Liberia Electricity Corporation
LERC	-	Liberia Electricity Regulatory Commission
LESSAP	-	Liberia Electricity Sector Strengthening and Access Project
MCA-L	-	Millennium Challenge Account-Liberia
MDAs	-	Ministries, Departments and Agencies
MFDP	-	Ministry of Finance and Development Planning
MME	-	Ministry of Mines and Energy
NEP	-	National Energy Policy
RIMS	-	Regulatory Information Management System
PAPD	-	Pro-Poor Agenda for Prosperity and Development
RREA	-	Rural and Renewable Energy Agency
SP	-	Strategic Plan
SPIC	-	Strategic Plan Implementation Committee
SPM	-	Strategic Plan Manager
SWOT	-	Strengths, Weaknesses, Opportunities and Threats
TEC	-	Totota Electricity Cooperative
WB	-	World Bank

Executive Summary

As an emerging regulator, budget constraints are primary challenges that continue to limit the Commission's ability to expand its scope of operations, continue to build the capacity of its staff, and undertake public engagement and outreach for regulated entities and consumers.

By virtue of the 2015 Electricity Law, LERC is to be funded through a levy charged on electricity produced and consumed as a pass-through expense to consumers. To address the budgetary constraints, the Commission will put in place mechanisms to monitor and effectively collect regulatory levies from licensees, including the LEC.

The Commission will strive to keep rates affordable, stable, and predictable to enable businesses to plan effectively and to grow progressively. The Commission commits to fostering a strong relationship with stakeholders and expect all stakeholders to work with the Commission in achieving this desire to the betterment of the people of Liberia.

The role of the Secretariat of the Commission in the successful implementation of the Strategic Plan is clearly articulated in the document. The plan has been formulated in such a manner as to ensure the fullest participation of both the BoC and professional staff of the Commission with the view to enhance transparency and accountability as well as allow for effective monitoring and evaluation.

The implementation plan for the Strategic Plan would be managed by a dedicated Strategic Plan Implementation Committee (SPIC) comprising both members of the BoC and senior staff members of the Commission. To ensure consistency, the implementation strategy provides for regular review of progress of Strategic Plan.

Statement from the Chairman

This is the First Strategic Plan (SP) of the Liberia Electricity Regulatory Commission (LERC). The approach used in developing the plan was consultative involving key stakeholders such as donor partners, embassies, key government ministries and agencies, who provided inputs to validate the resulting outputs.

This SP embraces the strategy of **attracting private sector investment and accelerating access to affordable, reliable, and stable electricity services**. This strategy depicts the Commission's commitment to the people of Liberia. The



Commission sees all stakeholders as inevitable partners for whom the Commission's mandate is to serve. Therefore, the Commission will continually engage with the stakeholders to meet their genuine expectations within the remit of its legal mandates.

In executing its mandates, the Commission intends to modernize its regulatory processes using contemporary Information Technology (IT) solutions. We will empower consumers via the deployment of user-friendly Information and Communication Technology (ICT) solutions that embrace international best practices.

The Commission has made significant progress in regulatory governance and the development of regulatory instruments since it became fully functional in early 2019. As a result, the LERC is now a full-fledged member of the Consultative Committee of Regulators and Operators of the ECOWAS Regional Electricity Regulatory Authority (ERERA) and the Electricity Regulatory Index (ERI) for Africa, under the auspices of the African Development Bank (AfDB).

According to the 2022 ERI report for Africa, LERC is now ranked 10th out of 43 electricity regulators in Africa, compared to 37th out of 43 in the previous year. The ERI is made up of three pillars or sub-indices: 1) Regulatory Governance Index (RGI); 2) Regulatory Substance Index (RSI); and 3) Regulatory Outcome Index (ROI).

ERERA, in its Analysis of Licensing Procedures in ECOWAS Member States for the purpose of harmonizing licensing procedures in the West African Regional Electricity Market, has lauded LERC for its licensing framework. The report of the ERERA analysis states: "The Liberia licensing process is well defined, complete and publicized, and it is one of the best examples among the analyzed West African Countries". It further concludes that "Liberia's licensing process may serve as one of the model processes that could be used by other ECOWAS member states should they want to develop their process from the scratch or improve it; and describes Liberia's import license and its terms and conditions as a valued model." This special recognition of Liberia licensing framework is a testimony of the quality of LERC's regulatory governance and instruments.

The Commission is committed to providing continuous training and upgrading of knowledge, skills, and expertise of both the BoC and the technical staff.



Statement from the Chairman

On behalf of the BoC and management of LERC, I would like to acknowledge the support provided by the Millennium Challenge Corporation (MCC) through the defunct Millennium Challenge Account Liberia (MCA-L) in “standing up” the Commission. Special thanks go to the European Union (EU) for providing technical and financial support to the development of this Strategic Plan.

Dr. Lawrence D. Sekajipo, **CPA, CFE, DBA, JSM**
CHAIRMAN BOARD OF COMMISSIONERS



Statement from the Managing Director

I am excited to introduce to you our much anticipated strategic plan, which charts the course for our endeavors over the next five years. It is with great pride that I share this roadmap with each one of you, as it represents the culmination of extensive analysis, collaboration, and unwavering dedication from our entire team.

Our journey as a regulator has been marked by resilience, innovation, and a commitment to excellence. As we stand on the threshold of a new era, our strategic plan embodies the collective wisdom of our past successes and the bold vision we have for the years ahead.

This plan is not just a document; it is a living testament to our ambition and determination to thrive in an ever-evolving regulatory landscape. It encompasses three strategic pillars that will guide our actions and decisions:

- I. **To establish and implement modernized regulatory systems, policies, and procedures:** We will continue to harness the power of innovation and technology to stay at the frontline of regulation.
- II. **To ensure the regulatory system is efficient and effective by rationalizing implementation of regulations and enforcement of compliance:** we will use international best practices to implement transparent compliance regimes.
- III. **To create a work environment that is conducive and build a workforce that will promote organizational success:** we will recruit and maintain competent staff to ensure maximum productivity.

I urge each of you to not only read this plan but to internalize it, embrace it, and be inspired by it. It is a roadmap that demands collective effort, unwavering commitment, and the relentless pursuit of excellence.

Let us embark on this journey together, driven by a shared vision and guided by our strategic plan. Together, we will shape the future of our Commission, and in doing so, leave an indelible mark on the electricity sector of Liberia.

Thank you for your dedication, passion, and hard work. Our best days lie ahead, and I am honored to lead this remarkable team into a new era of success.

Warm regards,



Augustus V. Goanue
Managing Director

1. Introduction

The Liberia Electricity Regulatory Commission (LERC) has developed this Strategic Plan (SP) as a major vehicle in its corporate development agenda. This is the first Strategic Plan since the establishment of the Commission and is intended to guide and assist the Commission (LERC) in the execution of its mandates in alignment with its legal mandates.

The LERC comprises of a Board of Commissioners (BoC) of three persons appointed by the President in consultation with the Legislature. The BoC, in executing its mandates, is assisted by a Secretariat of professional staff under the leadership of the Managing Director (MD).

This document details how the Commission intends to fulfil its mission within the plan period by focusing its activities on maintaining a robust and responsible regulatory environment supported by a skilled, and diverse workforce. The Strategic Plan sets out the vision of the BoC, the strategic goals and objectives as well as the relevant actions to be pursued by the Commission spanning the period from now up to 2030.

The preparation of the Strategic Plan included consultative engagements to solicit the views and expectations of a wide range of stakeholders including licensed operators in the electricity sector, government agencies, embassies, donor community and development partners.

2. Situation Analysis

As part of the process of transforming the electricity sector of Liberia, the Government of Liberia (GoL) approved a National Energy Policy (NEP) in 2009 in which GoL has committed to increasing private sector participation in the energy sector in general and the electricity supply industry. The private sector is anticipated to, not only bring management expertise, but more importantly to inject the requisite capital investments towards the rehabilitation and expansion of the electricity supply infrastructure to meet the GoL's goal of achieving universal access to electricity by 2030.

The program towards achieving universal access to electricity by 2030 is a fundamental component of Government of Liberia's (GoL's) Pro-Poor Agenda for Prosperity and Development (PAPD). To achieve the objective of universal access agenda, the private sector is expected to play a significant role in partnership with the government. One of the pre-requisites for attracting private sector is the presence of a transparent, stable, and predictable regulatory landscape. As a result, the GoL has put in place the necessary legal framework by enacting the 2015 Electricity Law of Liberia (ELL) which, among other objectives, also provides for the creation of an independent regulatory body for the electricity sector.

2.1 Establishment and Mandates of LERC

The Electricity Law of Liberia (ELL) in 2015, has consolidated the policy goals and objectives expressed in the 2009 NEP regarding the participation of the private sector in the Electricity Supply Industry (ESI) of Liberia. Additionally, the 2015 ELL has provided for a regulatory regime that is intended to attract the private sector in investing in Liberia's power sector. Consequently, the Liberia Electricity Regulatory Commission (LERC) has been established and given the mandates to regulate the electricity sector. The mandates of the LERC are, among others, to control entry into the power sector via licensing of operators as well as to regulate electricity pricing with the aim of ensuring the financial health of the licensed operators and at the same time protecting consumers by ensuring that electricity tariffs are affordable to all Liberians, including the vulnerable in society.

2.2 Achievements

Since its establishment, the LERC has prepared several critical legal instruments including regulations and codes to guide operations in the electricity supply industry (ESI). The Commission has also granted operating licenses to several operators including the Liberia Electricity Corporation (LEC), the

State-owned Electricity Company, Jungle Energy Power (JEP), a private electricity distribution company, and the Totota Electricity Corporative (TEC) a private Mini Grid Company using hybrid solar PV and diesel as sources of electricity generation. The Commission has also approved new electricity tariffs for the LEC and JEP.



LERC Board Chairman Dr. Lawrence D. Sekajipo issues distribution license to JEP

The 2015 Electricity Law of Liberia establishes and specifies the roles of the Liberia Electricity Regulatory Commission (LERC) in the implementation of aspects of the power sector reforms, including the liberalization of the sector to attract private investment to increase and eventually ensure universal access to electricity. Private capital is essential currently to augment Government of Liberia (GoL) funding of critical electricity infrastructure to reduce poverty and accelerate socio-economic transformation of the nation. The LERC fully became operationalized in 2018 with the appointment and full constitution of the Board of Commissioners and the recruitment of key staffs of the Secretariat.

Over the years, despite numerous challenges, LERC working with stakeholders has made significant progress in the reform agenda of the electricity sector with the development of several regulatory instruments and conduct of studies:

- **Cost of Service Studies-** the study has assisted LERC in the development of a tariff methodology principled on a cost-reflective electricity pricing model and a marginal rate of returns.
- **Electricity Tariff Regulations-** Provides the framework for approving tariffs by elaborating the principles, methodology and processes for approving the tariffs and other terms of supply of electricity within the electricity industry of Liberia.
- **Multi-Year Tariff Methodology-** Provides guidelines to service providers or operators on the

processes to be followed for new electricity tariffs application, modification of existing tariff arrangements, and tariff adjustments.

- **Complaints and Disputes Resolution Regulations-** Establishes the framework for the resolution by LERC of disputes between a consumer and service provider; among two licensees or permit holders; reporting to LERC disputes handled by a service provider; and the formal consideration by LERC of its own previous decision.
- **Customer Service and Quality of Supply Regulation-** Establish the framework for delivery of safe, adequate, reliable, and non-discriminatory service by service providers; specifies the rules governing the technical parameters and commercial relations between the service provider and a customer or a prospective customer; and prescribe Performance benchmarks for electricity supply.
- **Electrical Wiring Regulations-** Establish the requirement, procedures and practices for the enforcement of minimum standards for distribution of electrical energy in and around all types of structures including residential and commercial premises, public buildings, factories, construction sites, farm houses, booths, temporary installations and play grounds; and ensures the safety of persons, livestock and property from hazards that arise from the use of electricity, including safety against electric shocks, burns and fire.
- **Electricity Licensing Regulations-** Provide a framework for the registration and licensing of persons engaged in or intending to engage in activities within the electricity supply industry involving the interconnected transmission and distribution system or grid under the law.
- **Micro Utility Licensing Regulations-** Provide a framework for the registration of persons engaged in or intending to engage in the provision of micro utility services within the electricity supply industry under the law.
- **Solar Energy Products Technical Regulations-** Specify the essential quality and safety requirements for solar systems that generate electricity, solar thermal systems that generate heat and their components; the requirements for labelling of solar energy product and submission of technical documentation; and conformity assessment procedures with which suppliers shall comply.
- **Electricity Licensing Handbook-** Provides guidance to applicants in the registration and licensing process.
- **Liberia Electricity Wiring Code-** Gives general technical guidance on how the statutory requirements of the Electrical Wiring Regulations can be met.
- **Liberia Electricity Grid Code-** Specifies the framework for connection and usage of the grid, system services, grid expansion and procedures for the planning and operation of the transmission system during normal and exceptional conditions.
- **Electricity Minigrid Code-** sets out the legal and technical requirements for provision of commercial minigrid electricity supply services and establishes procedures, practices, quality and reliability of service, safety standards and other conditions that govern the development,

operation, maintenance, and use of a minigrad electricity supply service in Liberia.

- **Electricity Distribution Code-** Establishes the requirements, procedures, practices, and standards that govern the development, operation, maintenance, and the use of the distribution network of Liberia.

Consistent with the Tariff Regulation and the Multi-Year Tariff Methodology, LERC received application for tariff approval from the Liberia Electricity Corporation (LEC). This first ever post-war tariff review



Group photo of journalists following a specialized training on the Liberia Electricity Sector Regulatory Framework

and approval process witnessed the effectiveness of an electricity end user tariff on January 1, 2022. This is a significant milestone at addressing electricity rates affordability and access to electricity.

The LERC has established an Inspectorate division to enhance the Commission's responsibilities of conducting inspection activities across the electricity value chain, including inspection of facilities, equipment, operations, and services of licensees in accordance with terms and conditions of licenses/permits, and technical requirements and standards as adopted by the Commission. This is a major milestone towards enforcement and compliance envisaged by the 2015 ELL.

The LERC continues to transform and digitalize functions in Finance, Human Resources & Administration, Technical, Economic and Legal regulations, to ensure the Commission's documents are safe and stored on a central server. In place is an IT disaster recovery plan that mitigates risks to data and ensures data protection as well as determining the best way for data recovery. Currently backup software is installed on our server, laptops, and workstations to protect and capture data stored on these devices. A major milestone in Information Technology is the drafting of the Commission's IT Policy.

Under the Long-Term Technical Assistance program, funded by the European Union, a team of experts provided on the job training for LERC technical staff using the learning-by-doing method including study tour to more matured regulatory institutions such as Public Utilities Regulatory Commission (PURC) and Energy Commission (EC) respectively of Ghana.

Additionally with support from the World Bank LERC'S Board of Commissioners have participated in training program at the Public Utility Research Center (PURC) of the University of Florida in Gainesville, Florida, United States of America. The training program was specifically tailored to the professional

requirements of utility regulators and designed to enhance the economic, technical, policy, and leadership skills required for the implementing policies and managing sustainable regulatory systems.

Regional Collaboration and Coordination under the ECOWAS framework is key in cementing relationships with ERERA and National Regulatory Authorities. Towards this end, the Commission benefited from twinning capacity building activities in Ghana under the auspices of the parent regional organization the ECOWAS Regional Electricity Regulatory Authority (ERERA). The LERC is a full-fledged member of the Consultative Committee of Regulators and Operators (CCRO) of the ECOWAS Regional Electricity Regulatory Authority (ERERA).

A. Recognition and Ranking in Africa

The Commission has made significant progress in regulatory governance and the development of regulatory instruments since it became fully functional in early 2019. The Electricity Regulatory Index (ERI) for Africa, under the auspices of the African Development Bank (AfDB) in its 2022 ERI report for Africa, LERC is now ranked 10th out of 43 electricity regulators in Africa, compared to 37th out of 43 in the previous year. The 2022 ERI report is the fifth edition, and it measures the level of development of electricity sector regulatory frameworks in African countries and the capacity of regulatory authorities to effectively carry out their relevant functions and duties. The ERI is made up of three pillars or sub-indices:



Stakeholders at the validation workshop of regulatory instruments

- (1) Regulatory Governance Index (RGI);
- (2) Regulatory Substance Index (RSI); and
- (3) Regulatory Outcome Index (ROI).

Sub regionally, ERERA, in its Analysis of Licensing Procedures in ECOWAS Member States for the purpose of harmonizing licensing procedures in the West African Regional Electricity Market, has lauded LERC for its licensing framework. The report of the ERERA analysis states: “The Liberia licensing process is well defined, complete and publicized, and it is one of the best examples among the analyzed West African Countries”. It further concludes that “Liberia's licensing process may serve as one of the model processes that could be used by other ECOWAS member states should they want to develop their process from the scratch or improve it; and describes Liberia's import license and its terms and conditions as a valued model.” This special recognition of Liberia licensing framework is a testimony of the quality of LERC's regulatory governance and instruments.

B. Regulatory governance for Private Sector Participation

The Commission completed a review of the Nimba Distribution Area amended contract and the Bong County Distribution Contract between LEC and JEP. LEC in 2016, entered a contractual agreement with JEP to manage the Nimba Distribution Area at the time when the Regulator had not been established. The review ensured that the two contracts are now in compliance with the 2015 ELL, various regulations, guidelines, and policies as set by the Commission. These documents would serve as templates for future agreements aimed at attracting private sector participation in the electricity supply industry.

2.3 The Need for a Strategic Plan

The statute, which sets out the Commission's mandates, expressly directs LERC to regulate the electricity sector of Liberia towards ensuring adequate, safe, reliable supply of electricity to all consumers including households, businesses, and industrial and commercial companies. In carrying out this mandate, the LERC is very much aware of the fact that the electricity market is evolving and continually more driven by data and technology. The changing electricity supply environment poses new challenges and issues requiring the Commission to continually improve its capability to maintain an effective regulatory environment that resonates with the expectation of stakeholders. During the Commission's consultative engagements with stakeholders, a wide range of issues and challenges were raised by the stakeholders. The emerging issues and challenges identified by stakeholders include the following:

- There is a strong desire to increase availability of electricity to enable consumers undertake their social activities and to carry out their businesses;
- The Government of Liberia expects electricity supplies to drive economic growth and modernization of the country;
- Consumers expect electricity supplies to be more reliable and affordable;



Cllr. Korkpor, Commissioner (middle) issues one of six licenses to a representative of LEC

- Licensed operators expect to generate enough revenue to be able to assure their financial health to stay in business and provide improved services;
- The electricity supply industry is becoming more sophisticated and innovative driven by technological advancements;
- High power theft is a major challenge that must be addressed comprehensively to sanitize the electricity sector and to ensure sustainability;
- More diversity in types of companies operating in the electricity supply space offering broader range of electricity supply products;
- Efforts at regional integration expect to see increased harmonization of electricity supplies across the countries in the West Africa sub-region;
- Security of electricity supply is becoming a more demanding priority; and
- Significant investments are required to rehabilitate, modernize, and expand electricity supply infrastructure to increase access to safe and reliable electricity services to all Liberians.

Addressing these issues would require the Commission to define and establish a responsive regulatory regime that is always a step ahead by (i) modernizing the regulatory processes, (ii) transforming the human resource capacity and transforming the work environment, and (iii) developing and utilizing systems and tools to bring about a new paradigm in enforcement and compliance of the rules and regulations. While recognizing that the Commission has achieved some significant milestones in carrying out its mandate there is still a lot to be done. The Commission has developed this Strategic Plan which articulates its vision, goals, and objectives as well as the actions it intends to pursue over the plan horizon.



Yandohun Micro Hydro Power Plant

3. Mission and Vision Statements



Staff Retreat

3.1 Mission Statement

“To maintain a conducive electricity regulatory environment, attractive to private sector investment. To accelerate universal access to affordable, reliable, and safe electricity services for consumers in a competitive market, ensuring adequate supply of electricity for sustained economic growth and enhanced quality of life”.

3.2 Vision Statement

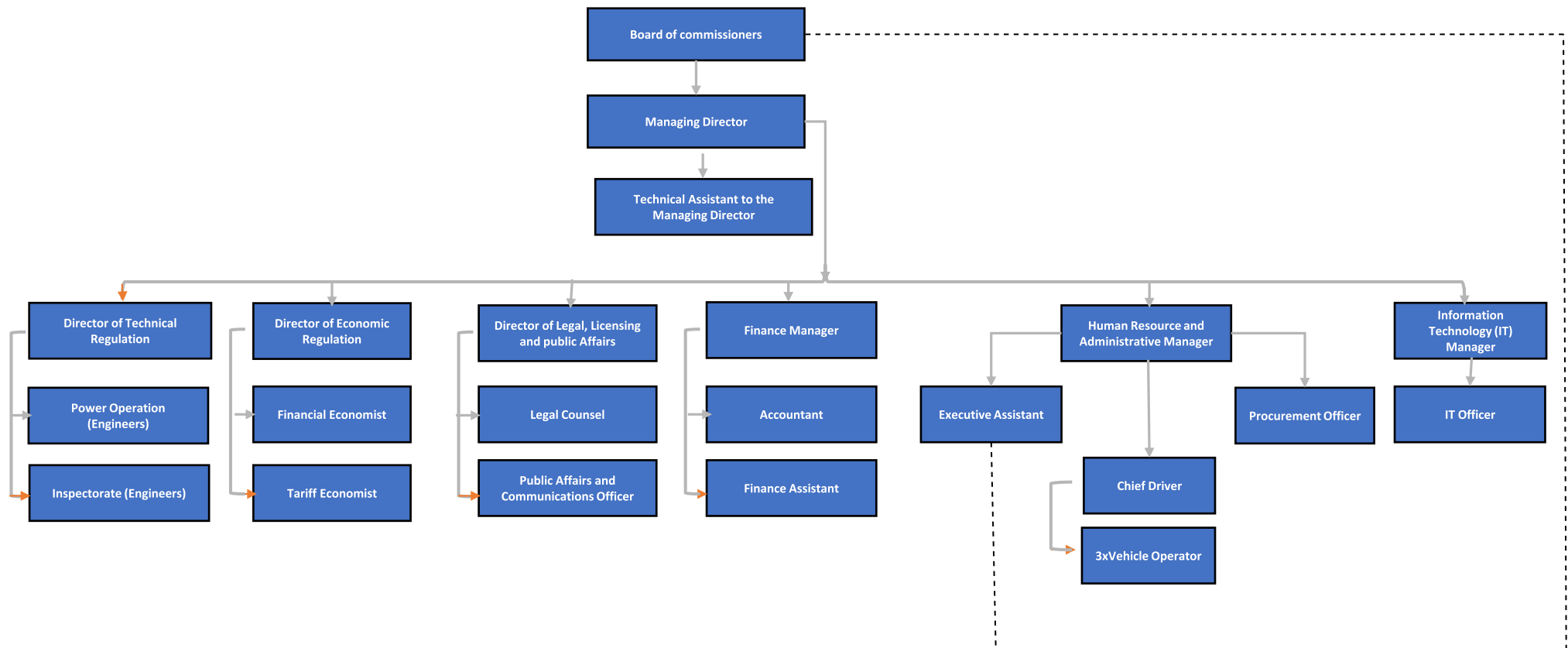
“Harnessing the best talents in the pursuit of an Excellent Regulator, driven by transparency, accountability and good governance.”

3.3 Core Values

The Commission, in carrying out its functions and responsibilities, embraces the following core values:

- **Consistency** - We are committed to ensuring uniformity, predictability, and coherence
- **Accountability** – We commit to performing our duties in a manner that shows readiness to take full responsibility for our actions and decisions
- **Proportionality** – We will embrace the principles of fairness and consistency in our regulatory and enforcement decisions
- **Innovation** – We commit to embrace positive change and enhance creativity and innovation
- **Transparency** – We are committed to operating fairly and openly without prejudice and equally accommodate the interest of all stakeholders
- **Excellence** – We commit to pursue effectiveness and efficiency in the execution of our mandates to the fullest satisfaction of our stakeholders.

LERC Organogram



4 **Strategic Pillars and Priorities** The Commission's Strategic Plan is driven by the following strategic pillars and priority actions over the Plan horizon.

Strategic Pillar 1: To establish and implement modernized regulatory systems, policies, and procedures.

a) Priority Actions

We aim to achieve this strategic pillar by the following actions:

- Review and document current state of the Docket Management System processes and identify immediate and interim improvements and critical regulatory systems and policies
- Up-grade the Commission's IT system to provide a streamlined Regulatory Information Management System (RIMS) including a user-friendly Docket Management System
- Build regulatory systems and policies to embrace contemporary international best practices
- Change the way we work by always extolling the philosophy of “Teamwork” as well as imbibing the core values of the Commission

Strategic Pillar 2: To ensure the regulatory system is efficient and effective by rationalizing implementation of regulations and enforcement of compliance.

b) Priority Actions

In achieving this goal, the following actions would be pursued:

- Ensure enforcement and compliance of regulations are in accordance with international best practices and existing laws of Liberia
- Put in place system of check and balances to ensure and enhance transparency and effectiveness
- Develop a comprehensive communication system to enhance the understanding of regulatory requirements by licensees.
- Develop comprehensive inspection and compliance monitoring strategies to provide high level of confidence that operators are complying
- Assist operators to identify and solve all actual and potential problems as well as being flexible enough to permit inspectors to respond to needs and situations

Strategic Pillar 3. To create a work environment those are conducive and build a workforce that will promote organizational success.

c) *Priority Actions*

We intend to achieve this goal by the pursuing the following actions:

- Build capacity of the BoC and staff in relevant skills and expertise required for the LERC to deliver on their responsibilities
- Ensure the LERC's human resources' practices build on and or meet industry best practices
- Identify and secure professional development opportunities that ensure all LERC staff develop and maintain their expert knowledge in a rapidly changing industry
- Optimize communications to ensure staff are well-informed and productive in achieving the LERC's mission, and strategic goals, in accordance with policies and procedures
- Develop standardized and section-specific training for all new employees to ensure a holistic on-boarding process
- Design an employee retention program that recognizes outstanding work performance and staff contributions to the organization.
- Construct a dedicated office building for the Commission.

4.1 LERC Structure Aligned to the Strategic Plan

The Managing Director, Directors and managers make up the senior management team (SMT).

For strategic outlook and corporate succession planning, each strategic pillar is a directorate headed by a director, supported by qualified and competent professionals at managerial level.

Table 1: LERC structure aligned to the strategy

BOC	MD	LLPA	TRU	ERU	IT	HRAM	FINANCE	Strategic Pillars
✓	✓	✓	✓	✓	✓		✓	Modernized regulatory system, policy, procedures
✓	✓	✓	✓	✓			✓	Regulatory enforcement and compliance
✓	✓					✓	✓	Build a workforce in an improved work environment

5 Stakeholders

In fulfilling our mandates and responsibilities, the Commission operates with several stakeholders. The operations of the Commission affect, directly, electricity producers, transporters, distributors, and consumers.

The Commission also interacts, indirectly, with entities involved in policy and good governance. The donor partners, who have played significant roles in the rehabilitation of the Liberia electricity supply infrastructure after the war, constitute a key stakeholder group. The Commission, to carry out its mandates successfully, must respond to the expectations of all stakeholders as much as possible. Some of the key stakeholders of the Commission are shown in Table below:

Table 2: Stakeholder matrix

Functional Area/Category	Stakeholders
Electricity Sector Operators	<ul style="list-style-type: none"> • Liberia Electricity Corporation • Jungle Energy Power • Totota Electric Cooperative • Rural Renewable Energy Agency
Policy Formulation and Implementation	<ul style="list-style-type: none"> • Government Ministries • State Agencies • Government Departments
Good Governance Monitoring	<ul style="list-style-type: none"> • Civil Society Organizations • Donor Community & Development Partners • Non-Governmental Organizations • Embassies • General Public

² The World Bank (WB), African Development Bank (AfDB), European Investment Bank (EIB) and others development partners have funded, and continue to support, various critical energy infrastructure projects in Liberia.

6 Review of SWOT of LERC

The strengths, weaknesses within the Commission and the opportunities and threats external to the Commission are enumerated below:

Table 3: SWOT matrix

Strengths	Weaknesses	Opportunities	Threats
Clear and well-crafted legal mandate under the 2015 Electricity Law of Liberia (ELL)	Absence of a Strategic Plan to focus activities of the Commission towards a clearly articulated common vision	Clearly mandated funding sources even though mobilization of funds may not be adequate for now;	Poor delivery of electricity services by operators creating bad impression among stakeholder regarding the capacity of the LERC to regulate the sector
Comprehensive regulations and legislations in place – the Commission has developed the key Legislative Instruments, Regulations, and Code of Practice required for regulating the electricity supply industry in Liberia.	Lack of operational systems and tools to assist in implementing and enforcing existing rules, regulations, and codes due to limited financial resources and inadequate resource mobilization,	Increasing understanding of the role and responsibilities of LERC among the key stakeholders;	Potential regulatory capture of LERC because operators/licensees have better human resource capacity, expertise, and technology compared to the LERC;
Have employed a core group of professional staff with training, knowledge, and expertise in a range of disciplines including economics, engineering, legal, communications, and information technology.	Inadequate professional staff levels across all Directorates of the Commission	Regulation of the electricity sector is a priority for the Government of Liberia, and this has led to continuous reforms of the power sector.	Inadequate understanding of the regulatory responsibilities and role of LERC among the public diminishing the perception of public regarding the relevance of LERC;

<p>Independent Board of Commissioners (BoC) who are desirous of ensuring excellence, transparency, and good governance in all their actions and decisions.</p>	<p>Absence of knowledge sharing platform within the Commission resulting in lack of organizational learning processes and institutional memory</p>	<p>Strong support for the LERC by donor community, development partners and international development agencies</p>	<p>The LEC as a dominant vertically integrated electricity supplier has the potential to undermine the full implementation of the power sector reforms intended to attract private sector participation;</p>
<p>Clear and well-crafted legal mandate under the 2015 Electricity Law of Liberia (ELL)</p>	<p>Inadequate visibility of the Commission among the public</p>	<p>Opportunity to attract more funding through enhanced partnership with international organizations, donor community and development partners</p>	<p>Potential political interference regarding decisions of the Commission</p>
<p>Comprehensive regulations and legislations in place – the Commission has developed the key Legislative Instruments, Regulations, and Code of Practice required for regulating the electricity supply industry in Liberia.</p>	<p>Lack of comprehensive internal standard operational procedures resulting in poor coordination processes</p>	<p>Available capacity-building opportunities exist for staff on emerging regulatory issues</p>	<p>Lack of effective sanctions regime to produce effective compliance by operators</p>
<p>Have employed a core group of professional staff with training, knowledge, and expertise in a range of disciplines including economics, engineering, legal, communications, and information technology.</p>	<p>Do not have own office building leading to payment of high rent for office accommodation</p>	<p>LERC existence as a legally recognized entity within the statutes</p>	<p>Challenges in enforcement of standards and quality of service which may frustrate or limit execution of the Commission’s mandates</p>



LERC's BoC, Finance and Energy Ministers and others tour TEC's Solar-Diesel Hybrid Plant in Bong County

7 Strategic Directions

7.1 Strategic Objectives

Our strategic objectives are to:

- Build on our numerous strengths;
- Address our internal weaknesses expeditiously;
- Explore and take advantage of the many and growing opportunities offered externally; and
- Deal with the identifiable threats head on.

7.2 Strategic Actions

In building on our strengths, the Commission will:

- Deploy multi-disciplinary teams to carry out the functions of and in the Commission;
- Retain skilled and competent workforce through better remunerations and conditions of service; and
- Review, regularly, legislations, rules, and codes of practice to continually reflect changing trends in the socio-economic environment and aspirations of the people of Liberia.

The Commission will address its internal weaknesses by undertaking the following actions:

- Create a knowledge sharing environment in the work place;
- Exploit new technology to enhance staff expertise and competences; and
- Continually measure corporate performance and reward excellence and sanction low performance.

We will explore and take advantage of opportunities, in which regard, the Commission will:

- Develop linkages with world-renowned energy planning and regulatory institutions;
- Be abreast with new developments in energy planning and electricity regulation;
- Acquire and deploy new technologies and techniques in energy planning and electricity regulation practices in other jurisdictions;

- Participate in international fora on energy planning and regulation; and
- Join international bodies involved in electricity regulation.

In dealing with the threats, the Commission will:

- Intensify public awareness of the work and achievements of the Commission;
- Be pro-active in regulatory policy research and wider dissemination of policy recommendations;
- Create a platform for continual dialogue with all stakeholders via Electricity Regulatory Summit/Symposium, as well as Quarterly Press Briefings on current electricity supply and regulatory issues; and
- Create an acceptable image and visibility among stakeholders and the public in general by sharing information on developments in the electricity sector regularly.

8 Resources Required

For the successful implementation of the Strategic Plan, the Commission requires financial, material, and human resources:

- Financial Resources – adequate funding available to fully carryout all planned activities
- Human Resources including experienced, high caliber workforce across all divisions and departments of the Commission
- Technical Assistance support from Experts and Consultants
- Conducive, stable, and safe work environment by way of a Dedicated Office Building
- Well-developed regulatory systems and tools including computerized hardware and software for Regulatory Information Management

An analysis of the capabilities and systems need to implement the Five-Year Strategic Plan was made. The table below shows the capital expenditure (CAPEX) and the corresponding Annual Cost Estimates required to implement the Strategy. The Capital expenditure will be revised to meet the timings of cash inflows.

FIVE YEAR CAPEX BUDGET

Pillar	Resources needed	Category	Status	What is required	Cost (US\$)	Ongoing costs	Due	Next Action
To establish and implement modernized regulatory systems, policies, and procedures.	Revision and documentation of current state of the Docket Management System processes	Effective complaint management system	Not yet implemented	Hire a consultancy firm to review and document current state of the docket management system			Within one year	Engage consultancy firm (begin procurement process)
	Up-grading of the Commission's IT system to provide a streamlined Regulatory Information Management System (RIMS)	Effective Information management	In process	Hire a consultancy firm to upgrade the commission's IT system (African Development Bank)	255,000		Within one year	Finalize procurement process (African Development Bank)
	Build regulatory systems and policies	Effective governance	Ongoing	Ongoing development of regulatory instruments to ensure effective management			Over 5 years	Periodic revision of existing regulatory instruments

FIVE YEAR CAPEX BUDGET - Cont'd

To ensure the regulatory system is efficient and effective by rationalizing implementation of regulations and enforcement of compliance.	Development of a system of check and balance	Effective governance	Ongoing	Begin the rationalization of regulation and enforcement of compliance by adopting best practices	70,000/year		Over 2 years	Engage other regulators in the region to study their regulatory and compliance regimes
	Development of a comprehensive communication system	Effective communication	Ongoing	Hire a consultancy firm to develop a comprehensive communication system	60,000/year		Over 5 years	Engage consultancy firm (begin procurement process)
	Development of comprehensive inspection and compliance monitoring strategies	Effective governance	Not yet implemented	LERC to develop comprehensive inspection and compliance monitoring strategies	60,000/Year			Implement inspection and compliance monitoring strategies
	Development of an effective response system to address urgent needs and situations	effective governance	In process	Develop an internal emergency response system	55,000/Year			Implement internal emergency response system

FIVE YEAR CAPEX BUDGET - Cont'd

To create a work environment that is conducive and build a workforce that will promote organizational success.	Building the capacity of BoC and Staff of LERC to deliver on their responsibilities	Training of skilled expertise and reskilling	Ongoing	Finalize training plan for BoC and staff of the LERC		100,000/year	Over 5 years	Implement training plan for BoC and staff
	Optimization of communications to ensure staff are well - informed and productive in achieving the LERC's mission, and strategic goals	Effective Communication	Ongoing	Develop a functioning internal communication system to keep staff abreast with LERC activities or programs	50,000/year		Over 5 years	Implement functional internal communication system to keep staff abreast with LERC activities or program
	Development of a standardized and section - specific training /retraining for all staff	Training of skilled expertise and reskilling	Not yet implemented	LERC to develop section specific training as orientation package for new employees	75,000/year			Implement section specific training for new employees.



Mount Coffee Hydropower Plant

9 Roles and Responsibilities of the Commission's Secretariat

9.1 Introduction

This section is intended to provide guidance to the Directorates within the Commission to enable them to understand and focus their efforts on the strategic directions and actions in support of the Commission's overall goals and objectives. In that regard, clear actions that must be carried out by the staff of the various Directorates to ensure the success of the Strategic Plan have been outlined. In doing that, SWOT analyses specific to the respective Directorates have been conducted, particularly, to identify their critical weaknesses as well as the threats that may limit the achievements.

Additionally, the roles and responsibilities of the various divisions and departments within the Directorates as they pertain to the Strategic Plan will allow the BoC to monitor progress towards achieving the vision and goals of the Commission.

9.2 Organizational Structure

The BoC is assisted by a Secretariat consisting of professional staff under the leadership of the Managing Director (MD). The Secretariat, currently, comprises three (3) Directorates and a total of three (3) Departments.

Directorates:

- Economic Regulation Directorate;
- Technical Regulation Directorate;
- Legal and Public Affairs Directorate; and

Departments:

- Human Resource and Administration Department.
- Finance Department
- Information Technology and Security Department

It is the intention of the BoC to increase the number of Directorates, Divisions and Departments as the electricity industry grows and regulatory space matures.

9.3 Economic Regulation Directorate

9.3.1 Responsibilities of the Directorate

- Develop and implement broad economic and financial policies and methods for the determination of optimal electricity pricing
- Evaluate of the prudence of the costs of operators and their financial viability

9.3.2 Divisions of the Directorate

The Economic Regulation Directorate has two (2) Divisions:

- Economic Analysis Division; and
- Tariff Regulation Division.

9.3.3 Strategic Directions

The goal of the Directorate is to enable a conducive regulatory environment using cost-reflective tariff-setting mechanisms that allow utilities obtain a reasonable margin of return while providing affordable electricity service for the consumers.

In achieving this goal, the Directorate intends to develop and deploy cutting-edge technology and data analysis platforms to accomplish the regulatory responsibilities and continually build the expertise and skills of its staff. In that respect, it is the desire of the Directorate to pursue the following principal objectives:

- Develop dedicated financial models for licensed operators
- Develop a fully web-based reckoner for consumers
- Develop and implement a robust Regulatory Accounting Guidelines (RAGS);
- Review and regularly update the Tariff Methodology and Tariff Regulations to account for new developments relating to electricity pricing regulation;
- Undertake regularly, research to ascertain impacts of tariffs on various classes of consumers and the national economy by updating Cost of Service studies (Willingness to Pay and Electricity Demand Studies).
- Develop and operationalize of comprehensive database on consumers;
- Assist in the development of a Power Sector Master Plan.

To achieve these principal objectives, the Directorate will pursue the following strategic actions:

- Improve techniques in data collection and analysis;
- Establish stakeholders' platforms for data gathering;
- Develop and deploy high-end human capability, expertise, and tools in electricity pricing.
- Establish a competent team within the Commission to undertake regulatory policy research and pricing analysis.
- Establish a comprehensive energy information dissemination mechanism for the major stakeholders on issues relating to electricity price regulation; and
- Assist in the preparation of a comprehensive Long-term Power Sector Development Master Plan.

9.4 Technical Regulation Directorate

9.4.1 Responsibilities of the Directorate

Advise the Managing Director and Board of Commissioners on all regulatory issues relating to the technical performance of the electricity supply industry:

- To set performance targets for licensees
- Monitor and enforce licensee's technical and environmental compliance consistent with the 2015 ELL, regulations and licensing terms and conditions.
- To provide support to the Legal, Licensing and Public Affairs Unit in the evaluation of license applications

9.4.2 Departments of the Directorate

The Technical Directorate is comprised of two (2) Divisions:

- Power Operations Division; and
- Inspectorate Division.

9.4.3 Strategic Directions

Assist the BOC in ensuring a regulated electricity sector where quality of supply and quality of service is premium.

In accomplishing its responsibilities, the Directorate intends to deploy technology driven systems to continually improve its capability to collect and analyse data on a timely basis. In that regard, the Directorate will:



Utility Linesman

- Focus the energies of the Directorate on defining our proposed solutions to the nation's current technical problems in the power sector,
- Adopt a more robust and proactive approach to regulatory inspections whilst remaining firmly within the boundaries of our powers as defined by law;
- Develop links with other regulators in countries with strong and effective regulations on inspection and enforcement to provide mentoring and attachment opportunities for our staff;



Transmission Lines

- Improve the quality of service of electricity delivery; and
- Monitor continually, to ensure provision of reliable and safe supply of electricity to all consumers.

To achieve these, the Directorate will pursue the following actions:

- Develop and implement a comprehensive Inspection Strategy;
- Develop and implement an effective Enforcement Strategy;
- Deploy performance-based regulatory mechanisms to ensure quality of service delivery by implementing Peer Review performance evaluation systems and processes;
- Enhance and implement technology-driven information/data acquisition systems and communication processes to monitor and collect reliable information on standards of performance indicators of energy providers;
- Develop and use high level regulatory skills and expertise of staff; and
- Publicize performance of licensees/operators via peer review score card mechanism.

Inspection and Enforcement Strategies will include the following:

- Conduct thorough study of regulatory mechanisms world-wide and implement those appropriate to Liberia;
- Design and implement Performance-based monitoring mechanism using;
 - (I) Intra Operator Peer Performance Review mechanism to compare agreed performance indicators for regional jurisdictions of the operating companies; and

- (ii) Inter Operator Performance Review mechanism to compare performance between Utility companies.
- Install and use modern information and data acquisition and communication systems to monitor the performance of operating companies.

9.5 Legal, Licensing, and Public Affairs Directorate

9.5.1 Responsibilities of the Directorate

- Provide advice to the Managing Director and Commissioners to ensure that the licensees, and other stakeholders in the electricity supply industry operate in compliance with the provisions of the Electricity Law and other related laws and regulations.
- Oversee all matters regarding licensing and public affairs at the Commission
- Ensure that electricity regulatory functions and licensing are done in accordance with the 2015 Electricity Law of Liberia and applicable regulations.

9.5.2 Divisions of the Directorate

The Directorate has two operational Divisions:

- Enforcement and Compliance Division; and
- Public Affairs Division.

9.5.3 Strategic Directions

Assist the BOC in enabling a conducive regulatory environment through licensing and effective monitoring and enforcement of license terms and conditions and providing premier customer services for the public.

- Adopt a more robust and proactive approach to regulatory enforcement and compliance regime;
- Develop and implement a comprehensive Communication Strategy which is objective-driven public education and awareness program to enhance regulatory processes.

To achieve these the Directorate will pursue the following actions:

- Enhance website with content on processes and programs;
- Distribute pamphlets, brochures, and a monthly newsletter to increase awareness on LERC and its functions, enhance understanding of the regulatory processes;
- Directly engage with consumers and community leaders through formal and informal speaking engagements;
- Use social media to increase awareness among stakeholders of the LERC and its functions, and enhance understanding of the regulatory processes;
- Develop and use high level regulatory skills and expertise of staff.
- Develop expertise in drafting regulations;
- Put in place appropriate Docket Management System;
- Put in place well-developed Communication Strategy;
- Have a well-developed complaints and dispute resolution system.



9.6 Human Resource and Administration Department

9.6.1 Responsibilities of the Department

- Plan, direct, and coordinate human resource management activities of the Commission,
- Maximize the strategic use of human resources and maintain functions such as employee compensation, recruitment, personnel policies, and compliance with Decent Work Act and related Labor Laws, National Code of Conduct
- Operate consistent with international best practices
- Handle general administration and related activities

9.6.2 Units of the Department

The Human Resource and Administration Department has the following operational Units.

1. *Human Resource Unit; and*
2. *General Administration Unit.*

9.6.3 Strategic Directions

The Directorate in assisting the BoC establish a conducive work environment that fosters organizational success towards achieving the vision, goals, and objectives of the Commission as by the Strategic Plan, will pursue the following goals:

- Talent Acquisition with the goal of recruiting and retaining a diverse workforce to meet the needs of the organization by 2027
- Talent Development with the goal of providing development programs to help staff and managers accomplish their goals.
- Talent Retention with the goal of maintaining the employee retention rate (less company-initiated transitions) above 80% by 2027
- Performance Review with the goal of ensuring that compensation and performance management processes are designed and executed to align and maximize staff performance with the goals of the organization.

The Department seeks to achieve the following specific objectives:

- Fill all the positions of the current organogram to boost the workforce to meet the need of the Commission;
- Increase the percentage of employees who accomplish their development targets annually;

- Increase incentives and benefits to attract and keep competent staff
- Increase the percentage of employees for whom performance reviews have been completed and documented by the target date.

In meeting these objectives, the Department will pursue the following actions:

- Analyze all current jobs and craft new job descriptions in accordance with the needs of the Strategic Plan;
- Conduct training and re-training to meet the required skills and expertise that affect recruitment and selection;
- Outline skills-transfer programs according to the Strategy Plan;
- Fine tune the Commission's communication channels to employees;
- Introduce ways to improve institutional learning and increase supervisory skills;
- Introduce ways to increase employee engagement and involvement in all aspects of the Commission's work to ensure inclusiveness, and
- Strengthen Skills set in specialized professional regulatory fields.

9.7 Information Technology and Security Department

9.7.1 Responsibilities of the Department

- Manage the implementation of an IT Infrastructure, computer network and related computing environment including computer hardware, systems software, and applications software, and develop a team to support and extend the system.
- Oversee the implementation of a business application system to support the operations of the Commission, and
- Serve as technical lead in the formulation and implementation of LERC's management information system (MIS),
- Develop policy and strategy to ensure a secured and stable information technology network and systems for the Commission, and
- Work closely with the Public Relations and Communication Officer to maintain and keep the website (www.lerc.gov.lr) up to date with information.

9.7.2 Key Focus Pillars

- Successfully has setup and maintained core services required for the necessary functions of an office including:
 - Set up servers' systems, access controls, interoffice communications, conferencing, disaster recovery systems for vital services and end user data, etc.
 - Established a formal policy regarding the usage, controls, and expectations of IT services.
- Established and expected levels of performance of unique services or software required by various departments and maintained adequate or above levels or efficiency, availability, and accessibility of those systems.

9.8 Finance Department

9.8.1 Responsibilities of the Department

- Oversee financial management of the Commission,
- Manage the day-to-day financial operations such as payroll, invoicing, budgeting, and accounting policies and compliance and other finance related transactions,

9.8.2 Units of the Department

The Finance Department has two (2) operational Units under the leadership of the Finance Manager.

9.8.3 Strategic Directions

Strengthen mobilization of funds to support the activities of the Commission.

Priority Actions:

- Develop a Financial Strategy in alignment with the requirements of the Strategic Plan;
- Outline programs for skills transfer in accordance with the Strategic Plan.
- Introduce and enforce ways to increase supervisory skills
- Introduce ways to increase engagement with licensed operators regarding prompt payment of regulatory fees
- Intensify efforts at seeking funding support from donors and development partners
- Seek partnership with private sector to co-finance Commission's infrastructure needs such as a dedicated office building.

10 Implementation Plan

10.1 Implementation Strategy

The Strategic Plan would be implemented in 3 Phases of 3-year Rolling Plan periods. To ensure the successful implementation, the following actions would be carried out:



TRANSCO CLSG Botota Substation in Bong County

- Set up a Strategic Plan Implementation Committee (SPIC) under the Chairmanship of a member of the BoC with Directors, Heads of IT and Finance serving as members as well as the Managing Director.
- Assign a Strategic Plan Manager who will serve as the Convener/Secretary of the Strategic Plan Implementation Committee. The Head of Human Resource Department will serve as the Strategic Plan Manager (SPM).
- Hold all staff accountable for the implementation of the Strategic Plan.
- Put in place an incentive package for good performance towards the achievement of the goals and objectives of the Strategic Plan.
- Coach for achievement – conduct training for staff in all aspects of the Strategic Plan with the assistance of external experts and consultants as may be necessary.
- Empower Managers to foster “teamwork” among staff



JEP Technicians install street lights

10.2 Review Process

- Carry out stakeholder “sounding exercise” yearly to receive feedback on developments in the energy sector in general, and the electricity sector in particular;
- SPIC to hold quarterly strategy meetings to review progress in the implementation and achievement of planned deliverables of the Strategic Plan and Work Plan;
- Hold Annual Retreat to assess the progress of implementation of the goals, objects and targets of the Strategic Plan – second week in December; and
- Revise the goals, objectives, and priority actions for the ensuring Phase of the Strategic Plan.



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