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LIBERIA

CASE STUDY

Bringing Power to Poor Communities

In Liberia, prepaid meter project benefits community members, utilities, and small businesses

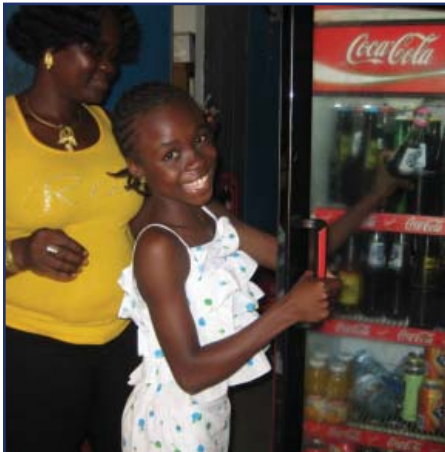


Photo: IRG Ltd.

This young lady knows she can always find cold drinks at Victoria Johnson's Wroto Town shop.

“In the past, I put up with a noisy generator and high maintenance costs. I really appreciate this metering system because I buy what I need, what I can afford and it's totally reliable” Victoria Johnson, shop owner.

Telling Our Story

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Challenge

In war-torn Liberia's capital, Monrovia, electricity is scarce, unreliable, and expensive. Businesses, clinics, and households depend largely on noisy diesel generators that often break down. Variable fuel prices and theft cause problems for those who rely on electricity to support their livelihoods. The Liberia Electricity Corporation (LEC) historically experienced losses of 40% due to electricity theft and inefficiencies in its metering, billing and collection processes, sometimes facing politically motivated resistance to disconnections. Adding to the challenge, low-income customers sometimes cannot afford to pay their electricity bill, leading LEC to disconnect their power.

Initiative

A USAID project conducted a pilot project to supply prepaid electricity to low-income urban communities. Prepaid meters help customers pay for and use power according to their means. The project employed a sustainable business model through a process similar to prepaid cellular phone cards. A local vendor buys electricity in bulk from LEC and earns a small commission by distributing it to the community as needed. Using individually numbered tokens, customers purchase electricity from the vendor in whatever amount they can afford at that time. The vendor processes the transaction and issues a receipt with a purchase code that the customer then enters into his meter. A simple system of LED lights indicates the rate of electricity consumption and when it is time to recharge. During the first year, 27 customers in Wroto Town participated in the pilot phase of the project.

Results

The USAID-supported project benefitted customers, utilities, and small-business owners. In Wroto Town, none of the 27 project participants had their service disconnected; in contrast, 71 out of 106 customers on conventional meters were disconnected at least once. Aggressive energy monitoring, a project activity, reduced losses to LEC to around 14%. Better electricity access also benefitted local business owners. One such owner, Victoria Johnson, runs a small shop in Wroto Town where she sells cold drinks. During the project, her sales increased 50 percent while her electricity bill decreased by half. “In the past, I put up with a noisy generator and high maintenance costs. I really appreciate this metering system because I buy what I need, what I can afford and it's totally reliable,” said Johnson. Following the pilot phase, 102 additional prepaid meters were installed on Bushrod Island.