

EXECUTIVE ORDER N^o 23

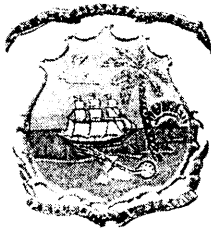
ESTABLISHING LIBERIA'S RURAL AND RENEWABLE ENERGY AGENCY AND A RURAL ENERGY FUND

Whereas, the Government has recognized that increased access to modern energy services is one of the keys for accelerating the reconstruction and economic revitalization of the country and the achievement of the four pillars of the Poverty Reduction Strategy as well as the Millennium Development Goals;

Whereas, Liberia is blessed with a wide range of renewable energy sources, whose potentials and benefits are yet to be exploited, and could be utilized to support economic and social development of its peoples, especially in rural areas where they are dependent on traditional and inefficient use of biomass and very limited access and use of poor quality and relatively expensive modern energy services;

Whereas, the United Nation Framework Convention for Climate Change mandates the recognition for developing countries to access resources required to achieve sustainable social and economic development taking into account the possibilities for achieving greater renewable energy, reduction in greenhouse gas emissions in general, including through the application of new technologies on terms that make such an application economically, environmentally and socially beneficial

Whereas, human behavior and attitudes on climate change are dramatically shifting across the globe, driven by concerns over energy security which is essential for maintaining economic security and prosperity in a manner that climate change mitigation will not be possible without specific actions focused on reducing Carbon dioxide (CO₂) emissions and specifically moving towards lower carbon technologies across the economic spectrum;



Whereas, Liberia needs to tap into the dynamism of its people and in a shared responsibility of the public and private sectors, community-based cooperatives and civil society to bring equitable benefits to men and women, and to rural and urban populations by providing the energy needed for social and economic development in a secure and environmentally responsible manner;

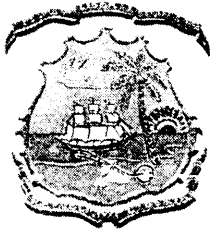
Whereas, without dedicated institutions with the authority and responsibility, and that are resourced with the appropriate funding and capacity to deal with the special challenges of energy provision for the rural poor, the rural communities will continue to be neglected.

NOW THEREFORE, I, Ellen Johnson Sirleaf, President of the Republic of Liberia, by the power vested in me, doth hereby, by this Executive Order, and for the purpose of the foregoing, set out below the establishment of the Rural and Renewable Energy Agency and Rural Energy Fund to support all economically viable, socially acceptable, and environmental friendly energy projects and programs, especially renewable energy, to support both economic and social development of Liberia's rural population.

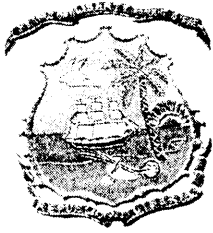
DECLARATION:

The Government of Liberia hereby declares through this Executive Order Number 23:

1. That as mandated under the National Energy Policy, the Government of Liberia is committed to facilitate and accelerate the economic transformation of rural Liberia by establishing the Rural and Renewable Energy Agency and Rural Energy Fund dedicated to the commercial development and supply of modern energy services to rural areas with an emphasis on utilizing locally available renewable resources;

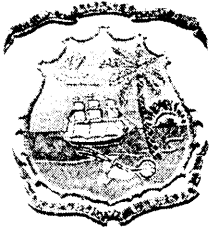


2. That the Government will ensure that the utilization of biomass and other renewable resources for energy do not contribute to deforestation or to food insecurity. Therefore, the Government will adopt appropriate environmental and agricultural support strategies limiting deforestation and bio-fuel production to non-edible plants or food crops that are surplus to requirements;
3. That, as mandated under the National Energy Policy, the Government of Liberia will commit to a long-term energy strategy that contributes to meeting its responsibilities under United Nation Framework Convention for Climate Change (UNFCCC) and its Protocols;
4. That the Government, through the Agency for Rural Renewable Energy, will ensure that Liberia avails itself of benefits and services under current UNFCCC agreements emanating from the UNFCCC Copenhagen negotiations in December 2009 as well as any future agreements of a similar nature. Such benefits and services shall include, but is not limited to, financial resources made available to countries that minimize carbon emissions by utilizing its own biomass and other renewable energy resources in place of fossil fuels;
5. That the Government's new focus on the use of locally available renewable energies in the rural areas of Liberia is the best solution for isolated and dispersed population will be promoted, not only through financial support from Government and the International Community, but through a vigorous public awareness education campaign;
6. A recognition that equitable development will require communities to receive financial resource transfers to ensure rural households, commercial enterprises, social and community service facilities and administrative centers in every village and town of every county have access to affordable, sustainable and environmentally friendly modern energy services.



SECTION 1: DEFINITIONS

1. **Agency:** Agency means Rural and Renewable Energy Agency as defined in the present Executive Order for the purpose of providing modern rural and renewable energy services to the people of Liberia.
2. **Fund:** Fund means Rural Energy Fund as defined in the present Executive Order for the purpose of providing financing to modern rural and renewable energy activities to the people of Liberia.
3. **Liberia Electricity Corporation:** Liberia Electricity Corporation means a public enterprise of the Government of Liberia established pursuant to An Act to Amend the Public Authorities Law to Create the Liberian Electricity Corporation.
4. **Ministry of Lands, Mines, and Energy:** Ministry of Lands, Mines and Energy means the Ministry responsible, inter alia, for the energy of the Government of Liberia, or any successor organization thereof.
5. **National Energy Policy:** National Energy Policy means the Policy adopted by the Government of Liberia on 9 May 2009 governing the provision of energy services to the people of Liberia.
6. **Regulatory Agency:** means any future agency created by the Government of Liberia to regulate the provision of energy services with the purpose of regulating services thereof.
7. **Renewable:** Renewable energy sources include renewable non-fossil energy sources including, but not limited to, wind, solar, geothermal, hydro-power and energy from biomass/wastes. The latter refers to electricity generated from the combustion of wood and wood wastes, other solid wastes of a renewable nature, biogas and liquid bio-fuels, and from municipal solid waste incineration.
8. **Rural:** Rural means non-urban parts of Liberia.

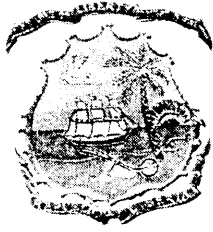


SECTION 2: ESTABLISHMENT OF AGENCY AND FUND

1. There is hereby established by this Executive Order a Government Agency, the Rural and Renewable Energy Agency (RREA) capable of suing and being sued and of performing all acts pursuant to its mandate and functions set out below. The Agency shall have an operational role under the oversight of a Energy Regulatory Board which shall also be established under Executive Order. The Ministry of Lands, Mines, and Energy retains policy oversight over the Agency.
2. The Agency shall exist for an initial period of up to two years subject to renewal upon the authorization of the President of Liberia or future legislative enactment; and
3. There is also hereby established a Fund, to be known as the Rural Energy Fund (REFUND) which shall facilitate and provide for the coordinated and sustainable financing of projects and programs for the delivery of modern energy services for rural development. The Fund shall become the channel through which domestic and international financial resources intended for rural and renewable energy delivery in Liberia shall be managed.

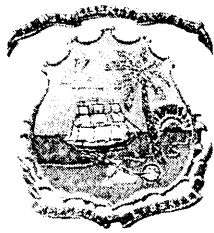
SECTION 3: MANDATE AND FUNCTION OF THE AGENCY

1. **Purpose of the Agency:** The Agency is created to facilitate and accelerate the economic transformation of rural Liberia by promoting the commercial development and supply of modern energy services to rural areas with an emphasis on locally available renewable resources. To that end, the Agency will have regulatory oversight over all rural, renewable energy projects.

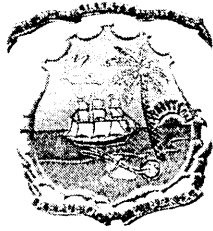


2. The Agency shall:

- a. Promote and establish rural energy cooperatives and private electricity service companies with emphasis on rural and renewable energy service provision at the same time strengthening local capacities with in existing cooperatives and organization.
- b. Prepare rural energy master plans which on the basis of well-defined project selection and prioritization criteria designed to ensure enhanced energy access with equity, sustainable development, and optimal use of indigenous and renewable resources, and ensure that these are integrated into the national energy master plans.
- c. Establish and maintain a central repository of information on rural and renewable energy service provision at the same time strengthening local capacities with in existing cooperatives and organizations.
- d. Facilitate the funding of rural energy projects, including managing a Rural Energy Fund that will provide low interest loans, loan guarantees, and grants as targeted subsidies to ensure access by the poor.
- e. Facilitate and accelerate the economic transformation of rural Liberia by promoting the commercial development and supply of modern energy products and services to rural areas through the private sector and community initiative with an emphasis, but not necessarily exclusive reliance, on locally available renewable resources;



- f. Promote, where feasible, market-based approaches to energy development, with a focus, but not necessarily exclusive reliance, on public-private partnership delivery of rural energy services;
- g. Support the development of all economically viable, sustainable, socially acceptable, and environmentally beneficial rural energy projects and technologies through appropriate financing mechanisms, including through the targeted use of grants and subsidies to enhance affordability to economically viable energy services;
- h. As a way of strengthening community ownership, ensure that every household, commercial enterprise, social service facility and administrative center in every village and town of every county has the opportunity to participate in the decision making process and have access to affordable, sustainable, and environmentally friendly modern energy services;
- i. Make renewable energy an integral part of rural energy policy and planning;
- j. Undertake cost-effective public information and educational campaigns to raise awareness of a broad range of commercially available technology solutions suited to the specific needs and conditions of Liberia's rural areas. Such solutions will include renewable energy for improved cooking and heating, power, and other distributed energy options and energy efficiency technologies, including for productive and income generating activities;



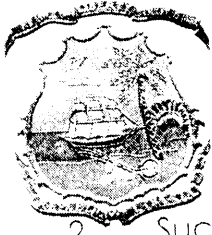
- k. Support self-generation by allowing end-users to generate their own electricity and, when and where feasible, to sell excess power to other users or the grid;
- l. Support independent power producers developing power generation using renewable energy technologies and resources for rural development;
- m. Work with a future Regulatory Agency and other relevant agencies to promulgate necessary laws and regulations to the scale of the investments and operations for self generation and independent power production;
- n. Promote research and development of renewable energy technologies.
- o. Strengthen the energy linkages to broader development activities in health, education agriculture, infrastructure development, telecommunications, transport, and small and medium enterprises.

The Agency shall not:

1. Own or operate any equipment or installation dedicated to modern or other energy services provisions.

SECTION 4: PRINCIPLES GOVERNING THE FUND

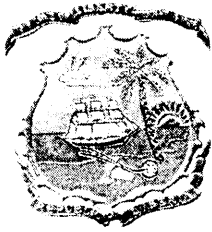
1. The Agency, in consultation and in accordance with any directions received from the Minister or donor, shall establish appropriate bank accounts into which monies accruing to the Fund shall be kept.



2. Such accounts shall be separate and distinct from other government accounts, but shall be subject to audit by the Government.
3. No money shall be withdrawn from the accounts without the express authorization of the Fund Management Committee acting in accordance with the rules and procedures authorized by the Board.
4. Any moneys left uncommitted at the end of a fiscal year shall be carried forward for use in the following year, and shall not be otherwise distributed.
5. Detailed procedures of Fund management shall be established by the Board of Directors of the Agency in keeping with Section 5(2).

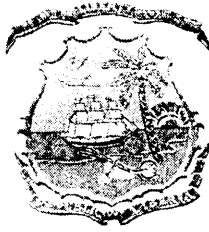
SECTION 5: BOARD OF DIRECTORS OF THE AGENCY

1. The Agency shall be governed by a Board of Directors, which shall meet once every quarter, or sooner in the event of an emergency affecting the Board, the Fund or the Agency. Within 60 days of appointment, the Board shall create by-laws governing its operations.
2. The Board shall approve the Agency's operational procedures, including but not limited to 1) the Agency's financial and administrative manual, 2) the Agency's staff manual; and 3) the operational manual of the Fund. The system to be approved by the Board shall ensure the efficient, effective, and transparent use of funds of the Agency and the Fund.
3. The Board shall establish membership criteria and constitute the Fund Management Committee for the Fund. The Fund Management Committee, shall recommend to the Board for approval, internal rules of governance as well as procedures and criteria for the provision of financial assistance to rural and renewable energy projects within 60 days after its



establishment. The Board shall create any other committees as it deems necessary for the better exercise of its functions.

4. Composition of the Board: The Board shall be composed of not more than seven members, including the Chairman, all of whom shall be appointed by the President. Members of the Board shall be recommended by the Minister of Lands, Mines and Energy on the advice of the National Energy Committee. The Board shall serve full terms as established under this Order and shall consist of the following:
 - a. The Executive Director of the Agency, who shall be a non-voting member and Secretary to the Board;
 - b. A representative of the Ministry of Lands, Mines, and Energy;
 - c. A representative of the Liberia Electricity Corporation;
 - d. Three persons selected in such a way as to ensure equitable geographic, demographic, and gender representation of the country's various rural areas; and
 - e. Two persons selected on the basis of their qualifications and experience in engineering, finance/accounting, or legal issues related to renewable energy technology and development as well as due consideration to gender balance. One of these shall be designated as the Chairperson of the Fund Management Committee.
5. Term of Office of Members of the Board: members of the Board shall hold office for a term of two years, subject to the enactment of legislation fixing a more permanent term of office. The Board shall hold office at the will and pleasure of my President.

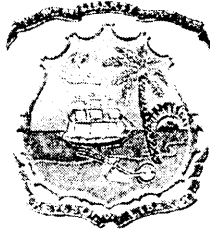


SECTION 6: ADMINISTRATION OF THE AGENCY

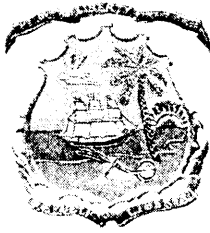
1. **Appointment of the Executive Director to the Agency:** Subject to the general approval of the Board of Directors, the operational responsibility for implementing the programs and policies of the Agency shall be vested in its Executive Director who is appointed by the Board of Directors with the approval of the Minister of Lands, Mines, and Energy.
2. The **Executive Director** shall be engaged on such terms and conditions of service and perform such functions as the Board of Directors shall determine.
3. **Staff:** the Executive Director may, upon such terms and conditions as he or shall determine appoint all staff members as necessary for the proper discharge of the Agency mandate and function, and in accordance with the Staff Manual of the Agency, which sets out the appropriate policy of recruitment, and subject to budgetary allocations.
4. **Consultants and Experts:** The Agency shall also, in furtherance of its functions and the mandate provided herein, may engage consultants and experts in any area of Rural and Renewable Energy development and design or may request to have seconded to it such consultants and experts to assist it with its work from the relevant Government Agencies.

SECTION 7: FUNCTIONS AND POWERS OF THE EXECUTIVE DIRECTOR OF THE AGENCY

1. The Executive Director shall, subject to the approval of the Board, undertake but not be limited to the following:



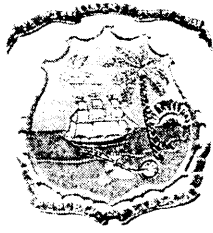
- a. Develop a Rural Energy Master Plan for Liberia and recommend to the Board the level of expenditures required to achieve the goals of the plan.
- b. Recommend to the Board the level of levies, fees, and other sources of income required to finance these expenditures within a defined period.
- c. Develop an annual operational plan for the Agency.
- d. Manage, in accordance with applicable laws and regulations, the Rural Energy Fund established in terms of this Law.
- e. Design and initiate capacity building programs and public awareness and outreach campaigns.
- f. Recommend and ensure the observance of appropriate technical standards for renewable energy equipment.
- g. Oversee the conduct of installations, repairs, and maintenance by third party installers and service providers and the conduct of local community training on renewable energy system maintenance and repair.
- h. Prepare and submit to the Minister of Lands, Mines, and Energy and other relevant agencies of the Government as appropriate, periodic project status and completion reports, which shall be publicly available within three months of the effective date of this Executive order.
- i. Keep proper books of accounts and proper records in relation to those accounts. The accounts, books, and records of the Agency shall be in the form prescribed by the law in force at the time which governs management of records.
- j. Provide technical advice to the Ministry on the licensing of renewable energy projects and installers of renewable energy equipment.
- k. Prepare and publish annual financial reports audited annually by the Auditor General or an independently certified financial auditor appointed by or authorized by the Auditor General.



- l. Ensure that such reports follow an accounting standard based on generally accepted accounting principles in Liberia to account for all funds received and disbursed by the Agency.
- m. Make such reports publicly available within 90 days from the end of one year tenure of the Agency or the enactment of legislation fixing a more permanent tenure of the agency.
- n. Engage the services of any experts as needed to provide advice on any aspect of the Agency's scope of work.
- o. Publish a Code of Ethics within 90 days of the promulgation of this Executive Order, which shall, with binding effect, govern the conduct of members of the Board of Directors and the Secretariat in regard to carrying out their responsibilities.

SECTION 8: COORDINATION WITH OTHER GOVERNMENTAL, NON-GOVERNMENTAL AND DONOR AGENCIES

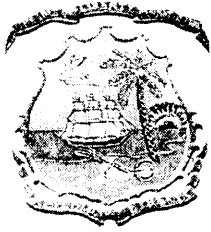
1. The Agency shall take all steps required to facilitate the coordination and integration of its activities with other stakeholders and relevant sectors working on, but not limited to, water, environment, community development, health, agricultural, gender, forestry, etc. In order to ensure that all essential information is taken into account in the planning and implementation of its projects and programs and to avoid, to the extent possible and reasonable, waste of resources due to overlapping efforts or activities the Agency will establish and host a Working Group comprised of representatives of the aforementioned agencies to facilitate such coordination and integration.



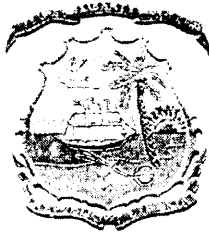
2. The Agency shall at a minimum ensure that its activities are coordinated with the Ministry of Lands, Mines and Energy, the Environmental Protection Agency on the development and application of carbon credits and finance toward rural energy deployment and rural development in Liberia, the Forestry Development Authority, grid-based licensees, and local and central government authorities as appropriate.
3. All donors, non-governmental, and governmental agencies which propose to undertake such activities supporting modern and/or renewable energy services in rural areas shall notify and coordinate their activities with the Agency. All activities shall comply with the rules and procedures as well as the standards established by the Agency.
4. The Agency will be held accountable by a future Regulatory Agency in line with this regulatory agency's future rules and regulations.
5. The Ministry of Lands, Mines and Energy will coordinate with Liberia Electricity Corporation and the Agency to ensure a clear delineation of functions, responsibilities, and operational areas of both organizations.

SECTION 9: FINANCIAL MATTERS AND EFFECTIVE DATE

1. **Grants, donations, levies, fees, and loans:** the Agency and the Fund are authorized to receive grants, loans, gifts, donations or endowments and make legitimate disbursements thereof in the performance of the functions mandated to it by this Executive Order; provided that gifts (of whatever nature), grants, donations and endowments shall be strictly of an official nature and shall be deemed the assets of the Agency.



2. **Rules, standards, procedures, and regulation:** the Agency shall have the power and authority to make rules, set standards, criteria, guidelines and regulations relative to its internal operations and interaction with the external community or persons, to interact with the international community and partners in furtherance of its work, and to solicit such funding as may be needed for enhancement of its work and the accomplishment of its goals.
3. **Budget and Sources of funding:** initial funding for the implementation of this Executive Order and the establishment of the Agency comes from a grant administered by the World Bank and resourced by the Government of the Netherlands. Subsequently, the Agency shall be financed by legislative appropriations made through the national budget. The Agency may, directly and indirectly, request and receive technical assistance, donations or grants from Liberia's Development Partners and other international multilateral institutions in furtherance of its operations.
4. **Sources of funding for the Fund:** all funds necessary for the operations of the Agency will be kept separate from the Fund. In addition to legislative appropriation, the following shall constitute, without limitations, the sources of funding for the Fund:
 - a. Funds derived through Government Appropriations or from international bilateral or multilateral sources;
 - b. Special levies or fees on energy products and services or moneys derived from the sale of carbon credits, including those from agriculture, forestry, and other natural resource concessions, as determined by the Minister of Lands, Mines and Energy on recommendation from the Board of Directors of the Agency.



- c. Funds from concessions associated with the exploitation of natural resources;
 - d. Revenues from any taxes as determined by the Government of Liberia;
 - e. Any loans, grants, or donations made to the Fund by any natural person, body, corporate, multilateral institution, or government of any country; and
 - f. Any other moneys such as interest, loan repayments, or fines that may accrue in the course of the Agency's operations.
5. **Reports:** the Agency shall make semi-annual progress reports to the Ministry of Lands, Mines and Energy, who shall present the same to the President and to the National Legislature on progress made by it on the mandates given to it until statute is passed to place it within the statutory framework.
6. **Proposed act establishing rural and renewable energy agency and rural energy fund:** the Executive Director acting through the Board shall within 9 months of the execution of this Executive Order, submit comprehensive draft legislation to the President for onward transmission to the Legislature for an Act Establishing Rural and Renewable Energy Agency and Rural Energy Fund with its enabling legislation and the institutional arrangement thereto.
7. **Effective date:** this Executive Order shall take effect on this 8th day of January, 2010.

GIVEN UNDER MY HAND AND SEAL
OF THE REPUBLIC OF LIBERIA THIS
8th DAY OF January, A.D.
2010

Ellen Johnson Sirleaf
President
Republic of Liberia