

Energy Policy Support to the Democratic Republic of the Congo

Background

Only six percent of the 70 million people who live in the Democratic Republic of the Congo (DRC) have access to electricity. The country currently has no energy policy and its electric power system is fragmented and in urgent need of repair after years of neglect.

In 2008, and at the request of the Cellule d'Appui Technique de l'Énergie (CATE), part of the DRC's Ministry of Energy, EUEI PDF commissioned the consultancy firm Mercados Electricity Markets International of Madrid to undertake a study to develop:

- ▶ A new energy policy (lettre de politique)
- ▶ An electricity legal code (code d'électricité)
- ▶ A rural electrification strategy

Strategic Targets

The objective of the project was to support the government of the Democratic Republic of the Congo in formulating and establishing a new energy policy in order to:

- ▶ Achieve a rapid increase in access to energy, with the eventual goal of nationwide access
- ▶ Minimise the financial cost of supply
- ▶ Protect the environment in the DRC as well as globally in accordance with the government's 2006 strategy on growth and poverty reduction

Strategy Actions

A New Energy Policy

EUEI PDF supported the Ministry of Energy in producing a final version of its Energy Sector Policy Letter. Significant progress has already been made in this field, resulting in a draft Energy Code published by the National Commission for Energy in 2005.

Region	Democratic Republic of the Congo
Project Partner	Cellule d'Appui Technique de l'Énergie (CATE) within the Ministry of Energy
Project Manager	Ray Holland
Term	June 2008 – October 2009

Since the DRC faces multiple challenges in the energy sector, the strategy takes into account the following restrictions:

- ▶ Poor or non-existent infrastructure
- ▶ High-risk environment for private investors
- ▶ No institutional culture
- ▶ Low average level of education and scarcity of skilled technical personnel

Key long-term principles of the Policy Letter include:

- ▶ Economic and environmental sustainability
- ▶ Socio-economic characteristics of the country and its population
- ▶ Pragmatic service expansion by selecting the best option for each case
- ▶ Carefully designed private sector participation
- ▶ Use of all potential energy resources
- ▶ Integration of the DRC into the region
- ▶ Separation of the functions of the state
- ▶ Allocation of responsibilities to appropriate institutions

Economic growth in the DRC will require a huge expansion in rural electrification.





An Electricity Legal Code

Although an electricity code for the DRC was proposed by the Spanish Electricity Regulatory Commission (CNE) in 2005, the institutional framework of the electricity sector is still influenced by its colonial past: the sector is largely regulated by laws which were adapted from the former colonial power, with regulations and rules stating the willingness of the state to manage the sector directly.

The Electricity Code was developed according to the following principles:

- ▶ Liberalisation of the electricity sector
- ▶ Simplified expansion of the electricity supply according to the laws in force
- ▶ Creation of an attractive economic climate for investment in the electricity sub-sector
- ▶ Codes of free and fair competition protecting the rights of users and operators

A Rural Electrification Strategy

Institutions in the field of rural electrification are scattered and have poorly defined roles. Thus, the electricity sub-sector suffers from a lack of leadership and coordination. Moreover, the DRC faces significant barriers to implementation due to a conflict with the national distribution company's objectives. The commercial entity prioritises more profitable customer groups, which require less costly connection fees.

With only five percent of the rural population having access to electricity, a clear need exists for a new institutional approach to rural electrification.

To overcome these barriers, the rural electrification strategy concentrates on the following goals:

- ▶ Attract private investment and operators for projects in rural electrification
- ▶ Establish a centralised and decentralised rural electrification scheme which is affordable for rural communities
- ▶ Establish a sustainable financial mechanism and technical support structures
- ▶ Promote appropriate Renewable Energy Technologies (RET)

The Approach to Technical Assistance

The approach agreed between the government of the DRC and EUEI PDF focused on:

- ▶ Data collection and analysis
- ▶ Field visits
- ▶ Drafting working papers
- ▶ Presentations and discussions
- ▶ Interviews with stakeholders
- ▶ A validation workshop where the final energy policy, electricity code and rural electrification strategy were presented

The Way Forward

Following a workshop in Kinshasa in May 2009, the Democratic Republic of the Congo adopted its first electricity legal code. Among the major innovations were:

- ▶ Creation of a regulatory authority for the electricity sector (Autorité de régulation du secteur de l'électricité)
- ▶ Creation of a national rural electrification fund
- ▶ Establishment of a national electrification agency

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