CENTRAL AFRICA

D. R. Congo

GDP: **$30.6bn**
Five-year economic growth rate: **11%**
Population: **67.5m**
Total clean energy investments, 2006-2013: **N/A**
Installed power capacity: **2.6GW**
Renewable share: **4.4%**
Total clean energy generation: **378.2GWh**
Top energy authority:
Ministry of Mines, Energy and Hydrocarbons

OVERALL RANKING 2014

38

OVERALL SCORE 2014

0.83

PARAMETER	RANKING	SCORE
I. Enabling Framework	45	0.76
II. Clean Energy Investment & Climate Financing	20	0.66
III. Low-Carbon Business & Clean Energy Value Chains	31	1.32
IV. Greenhouse Gas Management Activities	34	0.90

SUMMARY

The Democratic Republic of Congo scored 0.83 on *Climatescope* 2014, placing it 38th. Its best ranking was on Clean Energy Investment Parameter II, reflecting particularly the country's growth rate of investment, albeit off a low base of small hydro installations. In 2013, $61.8m was invested in the country's renewables sector. This represents nearly one third of the $200m the country has attracted cumulatively since 2006 and all of that has supported small hydro project development.

The DRC receives almost all (98%) of its electricity from large hydropower projects, but many years of conflict, mismanagement and institutional weakness have taken their toll. Only around 45% of the country's 2.6GW of generating capacity today is operational. Consequently, the electrification rate is very low. For those on the grid, supply shortfalls can be severe.

The government's aim to liberalize the electricity sector should make it easier for investors to develop the country's vast potential, in particular its estimated 100GW of potential hydro power resource – the largest in sub-Saharan Africa.

While the DRC has no specific incentives for renewable energy projects yet on the books, the government does offer reductions on import duties and various taxes and levies under the country's investment code.

For further information, access www.global-climatescope.org/democraticrepublicofcongo

Climatescope 2014 Report by Bloomberg New Energy Finance
Multilateral Investment Fund part of the Inter-American Development Bank,
UK Department for International Development, Power Africa

PARAMETERS AT A GLANCE

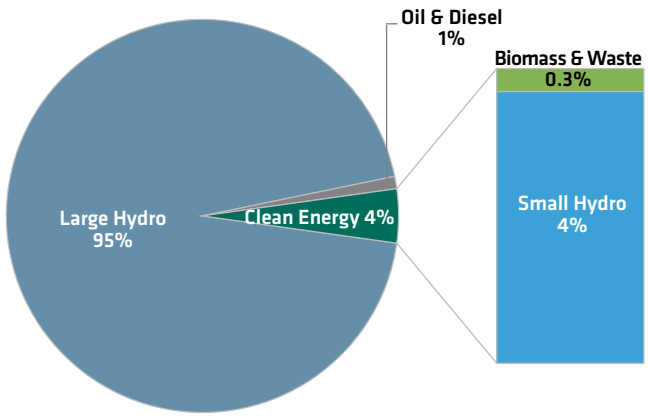
The country's main electricity sector operator, national company SNEL, was privatized in December 2010 but retains a market share of over 94%. Owing to very high technical and commercial losses and low collection rates, SNEL recovers revenue for only slightly over 1kWh for every 2kWh it generates.

The DRC ranked 45th on Enabling Framework Parameter I, its lowest position on any parameter. This was partly due to the low share of non-large hydro renewable power capacity, amounting to just 115MW. Nearly all of this (106MW) is in the form of small hydro projects with the balance (9MW) biomass. However, the survey did recognize the existence of a rural electrification program, together with aspects of a regulatory framework, for distributed energy generation.

The DRC's first unified energy sector law was as of Q2 2014 pending approval by President Joseph Kabila. Once in force, it will liberalize power generation, transmission and distribution, as well as decentralize decision-making by giving more power to the provinces. It also calls for the establishment of an electricity sector regulator, an electrification agency and an electrification fund.

INSTALLED POWER CAPACITY BY SOURCE, 2013 (%)

2.6GW total installed capacity



Source: Bloomberg New Energy Finance, DRC Société Nationale d'Electricité, Système d'Informations Energétiques RDC, Perenco,
Note: Some values cannot be graphically represented due to scale, please see source data for the complete numbers

KEY POLICIES

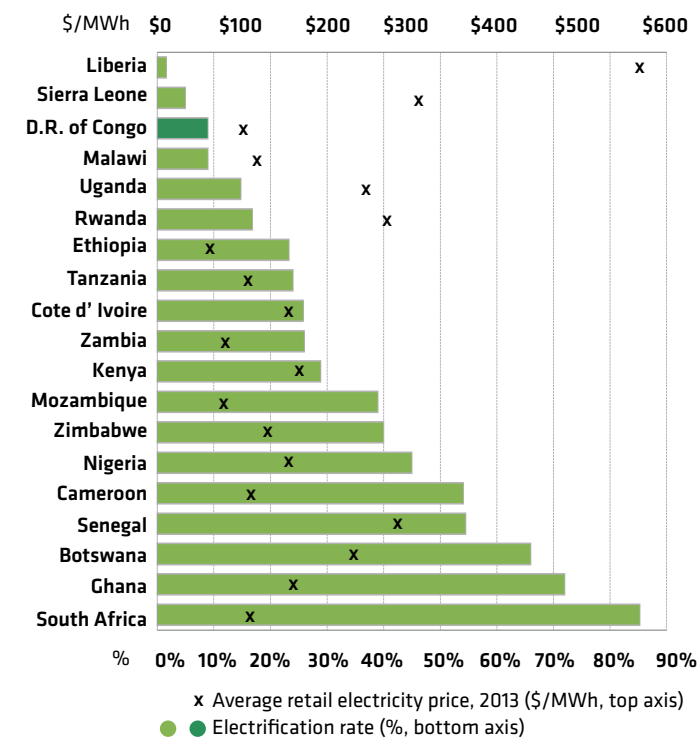
Tax Incentives	Investors are eligible for a range of tax reductions and import duty exemptions.

Source: Bloomberg New Energy Finance Policy Library

On Clean Energy Investment Parameter II, the DRC took 20th place. Apart from its growth rate in investment, the country also scored well compared to its peers for the low rate of interest charged for green microfinance, as reported by providers to the *Climatescope* survey.

The country's score on Low-Carbon Business and Clean Energy Value Chain Parameter III secured it 31st position, behind many of its peers in sub-Saharan Africa. Given the dearth of clean energy investment and low level of installed capacity there has been little opportunity to properly develop value chains.

ELECTRIFICATION RATES (%) VS AVERAGE RETAIL ELECTRICITY PRICES, 2013 ($/MWh)



Source: Bloomberg New Energy Finance

The DRC placed 34th on Greenhouse Gas Management Activities Parameter IV. It lacks government policy and corporate engagement on greenhouse gas emissions reduction, but did score well for its comparatively low level of risk in carbon offset project development.