

## CENTRAL AFRICA



# D. R. Congo

GDP: **\$33.0bn**

Five-year economic growth rate: **9.9%**

Population: **69.4m**

Total clean energy investments, 2009-2014: **\$198.7m**

Installed power capacity: **2.6GW**

Renewable share: **4.4%**

Total clean energy generation: **377.0GWh**

Top energy authority:

**Ministry of Mines, Energy and Hydrocarbons**

OVERALL RANKING

2014

2015

**38**

**50**

OVERALL SCORE

2015

**0.55**



PARAMETER	RANKING	SCORE
I. Enabling Framework	50	0.55
II. Clean Energy Investment & Climate Financing	49	0.19
III. Low-Carbon Business & Clean Energy Value Chains	47	0.72
IV. Greenhouse Gas Management Activities	29	1.07

## SCORE SUMMARY

The Democratic Republic of Congo (DRC) scored 0.55 in *Climatescope* 2015, slipping several places to finish 50<sup>th</sup> on the list of countries overall and last among the African nations. The country's highest score was on Greenhouse Gas Management Activities Parameter IV.

On Enabling Framework Parameter I, the DRC ranked 50<sup>th</sup>. Its score was weakened by the lack of clean energy incentives and the lack of openness in the structure of its power sector.

The country fell 29 places to take 49<sup>th</sup> position on Clean Energy Investment and Climate Financing Parameter II, partly reflecting the absence of any new investment.

On Low-Carbon Business & Clean Energy Value Chains Parameter III, the DRC finished 47<sup>th</sup>, down 16 places on 2014, with the absence of value chain players in most clean energy segments.

On Parameter IV, the country ranked 29<sup>th</sup>, scoring best in the carbon-offsetting category, in particular for the number of carbon credits generated relative to its overall emissions.

For further information, access [www.global-climatescope.org/en/country/dominican-republic](http://www.global-climatescope.org/en/country/dominican-republic)

## OVERVIEW

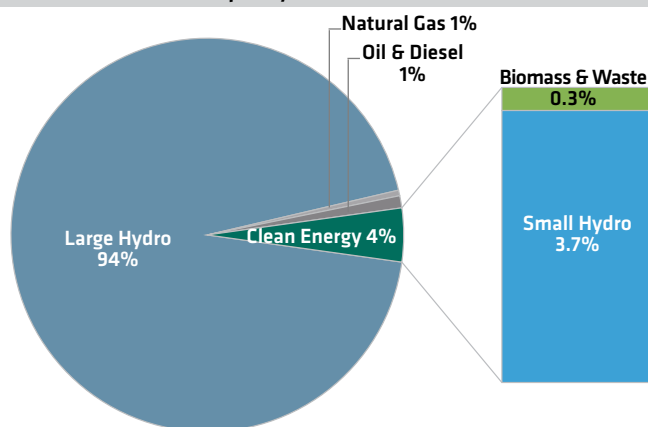
In the Democratic Republic of Congo, hydro accounts for 99% of the country's grid generation capacity. Current hydro installed capacity is 2,420MW, of which only 1,281MW is operational.

A project to develop an additional 4,800MW at the Inga 3 site and export power to South Africa is at the development stage, with support from the World Bank and the African Development Bank. The country has about 100GW of hydropower potential, the highest in Africa.

SNEL, the vertically-integrated and state-owned utility, has suffered from years of neglect and underinvestment. The utility's losses amounted to 28% in 2014 and 41% in 2013. The average electricity tariff (at \$0.066 per kWh) is the lowest amongst members of the South African Power Pool and well below marginal costs.

### INSTALLED POWER CAPACITY BY SOURCE, 2014 (%)

2.6GW total installed capacity



Source: Bloomberg New Energy Finance, DRC Société Nationale d'Electricité, Système d'Informations Energétiques RDC, Perenco.

Over the last ten years a few pilot generation projects have started operations. The new Electricity Sector Law adopted in June 2014 draws on these pilot projects, liberalizes the sector and aims at promoting private investment in generation and distribution. The legal regime binding third party operators depends on the type and the size of the project.

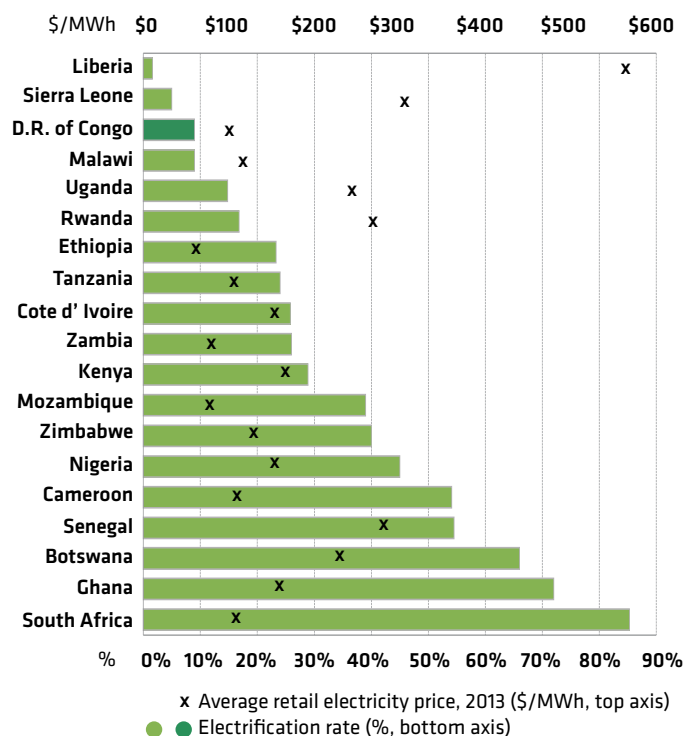
### KEY POLICIES

<b>Utility Regulation</b>	The 2014 law liberalizing the energy sector allows third-party operators and simplifies producer licensing processes. It also creates a rural electrification agency and foresees the creation of an organization responsible for auctions and tariffs.
<b>Tax Incentives</b>	Investors are eligible for a range of tax reductions and import duty exemptions.

Source: Bloomberg New Energy Finance Policy Library

All distribution and transmission projects and generation assets are subject to obtaining a concession, generation projects above 1MW require a license and projects between 100kW and 1MW are subject to authorization. For projects below 100kW a declaration is sufficient. Official decrees to create a regulator (ARE) and a rural electrification agency (ARSEL) and transfer the responsibility for local projects to regional governments were at the drafting stage as of the first half of 2015.

### ELECTRIFICATION RATES (%) VS AVERAGE RETAIL ELECTRICITY PRICES, 2014 (\$/MWh)



Source: Bloomberg New Energy Finance

The DRC has no specific incentives for renewable energy projects. Imports of goods such as solar lanterns and solar panels are subject to an import duty of 10%, an additional VAT of 16% and other import related taxes, which can amount to 40%. Exemptions can be obtained under the country's investment code for a period of three to five years.